

STATE OF MONTANA

Public Employees' Retirement Board

A Component Unit of the State of Montana

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2014

Public Employees' Retirement System - Defined Benefit Retirement Plan

Public Employees' Retirement System - DCRP Disability OPEB

Judges' Retirement System

Highway Patrol Officers' Retirement System

Sheriffs' Retirement System

Game Wardens' and Peace Officers' Retirement System

Municipal Police Officers' Retirement System

Firefighters' Unified Retirement System

Volunteer Firefighters' Compensation Act

Public Employees' Retirement System - Defined Contribution Retirement Plan

Deferred Compensation (457) Plan

Prepared By:

The Fiscal Services Bureau
Public Employee Retirement Administration
100 North Park, Suite 200 ~ PO Box 200131
Helena, MT 59620-0131
(406) 444-3154

Table of Contents

Introductory Section	
Letter of Transmittal	5
Public Employees' Retirement Board	14
Montana Public Employee Retirement Administration Organizational Chart	15
Financial Section	
Independent Auditor's Report	17
Management's Discussion & Analysis	20
Basic Financial Statements:	
Statement of Fiduciary Net Position - Pension Trust Funds	40
(The notes to the financial statements are an integral part of this statemen	it)
Statement of Changes in Fiduciary Net Position - Pension Trust Funds	42
(The notes to the financial statements are an integral part of this statemen	<i>t</i>)
Notes to the Financial Statements	44
Required Supplementary Information:	
Schedule of Changes in Multiple-Employer Plans Net Pension Liability	100
Schedule of Changes in Single-Employer Plans Net Pension Liability	102
Schedule of Net Pension Liability for Multiple-Employer Plans	104
Schedule of Net Pension Liability for Single-Employer Plans	106
Schedule of Employer and Non-Employer (State) Contributions	
for Cost-Sharing Multiple-Employer Plans	108
Schedule of Employer and Non-Employer (State) Contributions	
for Single-Employer Plans	
Schedule of Investment Returns for Multiple-Employer Plans	
Schedule of Investment Returns for Single-Employer Plans	
Notes to Required Supplementary Information.	
Schedule of Funding Progress for PERS-DCRP Disability OPEB	
Schedule of Employer Contributions and Other Contributing Entities	117
Notes to the Required Supplementary Information	
for PERS-DCRP Disability OPEB	
Schedule of Funding Progress for OPEB.	
Notes to Required Supplementary Information for OPEB	121
Supporting Schedules:	
Schedule of Administrative Expenses	
Schedule of Investment Expenses	
Schedule of Professional/Consultant Fees.	
Detail of Fiduciary Net Position (PERS-DBRP and PERS-DBEd)	
Detail of Changes in Fiduciary Net Position (PERS-DBRP and PERS-DBEd)	127
Detail of Fiduciary Net Position (PERS-DCRP, PERS-DCEd	
and PERS-DCRP Disability)	128
Detail of Changes in Fiduciary Net Position (PERS-DCRP, PERS-DCEd	
and PERS-DCRP Disability)	129

Investment Section	
Board of Investments' Investment Letter.	131
Report on Investment Activity	135
Total Rates of Annualized Returns by Asset Class	
Schedules of Asset Mix.	
Schedule of Largest Holdings	
Investment Summary.	
Actuarial Section	
Actuary's Certification.	159
Summary of Actuarial Assumptions and Methods	
Schedule of Active Member Valuation Data.	
Schedule of Active Member Composition.	
Schedule of Retiree Member Composition	
Schedule of Beneficiary Member Composition.	
Schedule of Disabled Member Composition.	
Schedule of Converted Disabled Member Composition	
Schedule of Retirees and Beneficiaries Added to and Removed from Rolls	
Solvency Test	
Schedule of Funding Progress.	184
Summary of Actuarial (Gain)/Loss by Source	
Summary of Defined Benefit Retirement Plans Provisions as of June 30, 2014	
Statistical Section	
Summary of Statistical Data	223
Changes in Fiduciary Net Position, Last Ten Fiscal Years	
History of Actuarial Liabilities	
Schedule of Fair Values by Type of Investment, Last Ten Years	
Schedule of Contribution Rate History.	
History of Membership in Retirement Plans, Last Ten Years	
Schedule of Benefit Expenses and Refunds by Type, Last Ten Years	
Schedule of Distributions Processed, Last Ten Fiscal Years	
Schedule of Retired Members by Type of Benefit	
Distribution of Defined Benefit Recipients by Location	264
Schedule of Active Members by Age and Gender	266
Schedule of Retired Members by Age and Gender	267
Average Benefit Payments, Last Ten Fiscal Years	268
Schedule of Average Monthly Benefit Payments, All Retirees	276
Principal Participating Employers	
Schedule of Participating Employers	282

Mission Statement of the PERB

The Montana Public Employees' Retirement Board, as fiduciaries, administers its retirement plans and trust funds, acting in the best interest of the members and beneficiaries.

Mission Statement of the MPERA

The Montana Public Employee Retirement Administration efficiently provides quality benefits, education and service to help our plan members and beneficiaries realize a successful retirement.



Photo Courtesy of Terry Dalton

There are over 600 campgrounds in **Montana**. The most popular are in Glacier National Park, Philipsburg and West Glacier.

- visitmt.com

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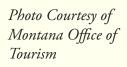
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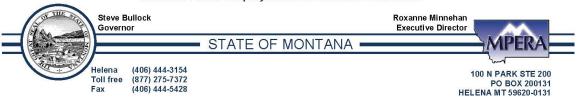
Camping doesn't necessarily have to be in a tent. Today, camping is often done in motor homes, tipis or yurts!



Photo Courtesy of Bill Hallinan



Montana Public Employee Retirement Administration



February 9, 2015

The Honorable Steve Bullock Governor of Montana Room 204, State Capitol PO Box 200801 Helena, MT 59620-0801

Dear Governor Bullock:

The Public Employees' Retirement Board (PERB) and its staff, the Montana Public Employee Retirement Administration (MPERA), are pleased to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014, in accordance with 19-2-407, Montana Code Annotated. The purpose of this letter is to introduce the basic financial statements and provide an analytical overview of the trust funds' financial activities. The letter of transmittal is intended to complement the Management's Discussion and Analysis (MD&A) and the two should be read in conjunction.

The management of the Montana Public Employee Retirement Administration assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This CAFR was prepared in conformance with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board, including the MD&A. Defined benefit and defined contribution transactions are reported on the accrual basis of accounting.

The external auditor conducted an independent audit of the basic financial statements in accordance with U.S. generally accepted auditing standards. This audit is described in the Independent Auditor's Report on page 17 of the Financial Section. Management has provided the external auditors with full and unrestricted access to MPERA staff to facilitate independent validation of the integrity of the plans' financial reporting.

The MD&A included in the Financial Section is a management discussion of the financial position of the retirement plans and provides an overview and analysis of the plans' basic financial statements. The Statistical Section includes statistics regarding active and retiree membership,

INTRODUCTORY SECTION

employer contributions, assets held, and benefits or distributions paid in accordance with the five objectives required by GASB Statement 44 - financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

PROFILE OF THE PERB

The PERB is a discretely presented component unit Pension Trust Fund of the State of Montana financial reporting entity. For this reason, the financial statements contained in this report are also included in the State of Montana's Comprehensive Annual Financial Report. Fiduciary responsibility for the systems rests with the PERB, which consists of seven members, appointed by the Governor. The members are assigned five-year, staggered terms. The PERB is required to approve a final budget before the beginning of the fiscal year. The MPERA management develops the budget for all plans administered and presents it to the PERB. As governed by statute, the PERB's defined benefit administrative expenses may not exceed 1.5 percent of the total defined benefit plan retirement benefits paid. Costs for the PERB to administer the defined contribution plans are included as part of the administrative expenses of the plans. The budget is monitored throughout the year and quarterly updates are provided to the PERB.

The PERB administers eleven separate retirement plans, each reported in this CAFR. There are nine defined benefit retirement plans including the Public Employees' Retirement System-Defined Benefit Retirement Plan (PERS-DBRP) in its 70th year of operation, the Public Employees' Retirement System - DCRP Disability OPEB (DC Disability OPEB), the Judges' Retirement System (JRS), the Highway Patrol Officers' Retirement System (HPORS), the Sheriffs' Retirement System (SRS), the Game Wardens' and Peace Officers' Retirement System (GWPORS), the Municipal Police Officers' Retirement System (MPORS), the Firefighters' Unified Retirement System (FURS), and the Volunteer Firefighters' Compensation Act (VFCA).

The two defined contribution retirement plans are the Public Employees' Retirement System-Defined Contribution Retirement Plan (PERS-DCRP) and Deferred Compensation (457) Plan. The PERS-DCRP was implemented July 1, 2002. New hires in PERS have the option of choosing participation in either the PERS-DBRP or PERS-DCRP within 12 months of hire. The PERB contracts with Great-West Financial to provide recordkeeping services for the PERS-DCRP. University employees, in positions covered by PERS, have a third retirement option: Montana University System Retirement Program (MUS-RP) administered by the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF New York, NY).

State and University employees, and employees of local government entities that contract with the PERB, also have the option to supplement their retirement income by voluntarily participating in the Deferred Compensation (457) Plan. The PERB contracts with Great-West Financial to provide recordkeeping services for the deferred compensation plan. Participants in the deferred compensation plan can elect to defer money either into a pre-tax account or an after-tax (Roth) account.

Education for plan members and employers is a top priority and statutorily funded by a percentage of employer contributions. All PERS new hires are offered Plan Choice Educational workshops to assist with their retirement plan decision. We continue to add other educational workshops and provide additional member services through our website.

ECONOMIC CONDITION AND OUTLOOK

INVESTMENTS

The investments of the pension trust funds are governed by an investment standard known as the "prudent expert principle." The prudent expert principle is constitutionally and statutorily mandated and establishes a standard for all fiduciaries, which includes anyone having discretionary authority with respect to the pension trusts. The prudent expert principle states that fiduciaries will discharge their duties solely in the interest of the trust funds' participants and beneficiaries and with the degree of diligence, care, and skill which prudent experts would ordinarily exercise under similar circumstances in a like position. By following the prudent expert principle and permitting further diversification of investments within a fund, the fund may reduce overall risk and increase returns.

The assets of the defined benefit trust funds are invested by the Montana Board of Investments (BOI). The prudent expert principle permits the BOI to establish an Investment Policy Statement based upon certain investment criteria and allows for the delegation of investment authority to the BOI staff. The investment policy statement outlines the responsibility for the investment of the funds and the degree of risk that is deemed appropriate for the trust funds. Investment officers are to execute the investment policy in accordance with statutory authority but are to use full discretion within the policy and guidelines.

Investment options offered in the defined contribution plans comply with the PERB's Investment Policy Statements. The investment options are selected by the PERB, with the assistance of the statutorily-created Employee Investment Advisory Council and the advice of a third-party consultant. Participants of the PERS-DCRP direct the investment of their contributions and a portion of their employer's contributions among the offered investment options. The remaining portion of their employer's contributions is used to reduce the Plan Choice Rate unfunded actuarial liability, fund the DCRP long-term disability trust, and provide member education. Participants of the Deferred Compensation Plan direct the investment of their deferrals and participating employer contributions, if any.

ECONOMIC OUTLOOK

The economic outlook of the defined benefit plans is based primarily upon investment earnings. For fiscal year 2014, the PERS-DBRP experienced a 17.16 percent rate of return; an average annualized rate of return for the last three years was 10.70 percent; for the last five years was 13.27 percent; and for the last ten years was 6.95 percent. The ten year rate of return is below the annual actuarial return assumption of 7.75 percent and acts to erode the funded status of the plan. The plans are required by law to be maintained on an actuarially sound basis which protects

INTRODUCTORY SECTION

participants' future benefits. A summary of the investment activity can be found in the *Investment Section* of this annual report.

The funded status of all but one of the retirement systems administered by the PERB increased in fiscal year 2014 as a result of the investment market experience. The funded status of the Public Employees' Retirement System decreased in fiscal year 2014 as a result of the guaranteed annual benefit adjustment (GABA) rate of 3% being assumed in the June 30, 2014 valuation. A single year's funded ratio, by itself, does not provide a measure of the funding direction. The funding status and funding progress of the individual retirement systems can be found in the *Financial Section* of this report on pages 114 for the PERS - DCRP Disability OPEB and for the other retirement systems in the *Actuarial Section* of this report on page 184 - 185.

FUNDING

The primary funding objectives of the pension trust funds administered by the PERB are to:
1) ensure that the systems are financially sound and pay all benefits promised using assets accumulated from required employer and member contributions and investment income; and 2) achieve a well-funded status with a range of safety to absorb market volatility without creating an Unfunded Actuarial Liability (UAL).

The PERB's annual funding requirement is comprised of a payment on the Normal Cost (NC) and a payment on the Unfunded Actuarial Liability (UAL). The Normal Cost and amount of payment on UAL are determined by the following three core elements: 1) Entry Age Normal Cost Method (Actuarial Cost Method) to the project benefits in determining the Normal Cost and Actuarial Liability (AL); 2) Asset Valuation (Asset Smoothing) of four-year smoothing (market); and, 3) Amortization of the UAL should be amortized over a reasonable period of time and should not exceed 30 years on a rolling basis. Generally, the funding period should be constant or decreasing.

The information received from the annual actuarial valuation is used by the PERB to recommend funding increases or system changes or both to the Legislature to address financial sustainability. The contribution rates are statutorily set through the Legislature. The rate of the employer contributions to the Systems is composed of the normal cost, amortization of the UAL, and an allowance for administrative expenses. The allowance for the administrative expenses is based upon the Systems' recent history of administrative expenses.

PERB's long-term goal is for all retirement systems to be 100% funded and up to 120% funded to allow a reserve in poor markets. The PERB's short-term goal is to obtain actuarial soundness for the systems that do not amortize.

Funds are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net position restricted for pension benefits" in the Statement of Changes in Fiduciary Net Position – Pension Trust Funds in the Financial Section of this report. The total pension liability is not reported in the basic financial statements, but

is disclosed in Note 4 to the basic financial statements and in the required supplementary information. The total pension liability is determined by the actuary and is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees and beneficiaries. The net pension liability is measured as the total pension liability less the amount of the pension plan's fiduciary net position. The net pension liability is an accounting measurement for financial statement purposes.

ACCOMPLISHMENTS

Fiscal year 2014 accomplishments of MPERA include: implementation of GASB 67 to improve financial reporting by pension plans; installation of a new server; organized office move and space realignment; and received an unmodified financial audit opinion. MPERA continues to move forward with data cleansing, in preparation of the new computer system. We are currently on target for our new system to be implemented in July 2015. Other accomplishments include creating a new position for a compliance attorney, contracting with Great-West Financial to continue providing recordkeeping services of the Deferred Compensation and PERS-DCRP, completing the RFP and selection process for Investment Advisory Services with Buck Global Investment Advisors, and adoption and amending of administrative rules to comply with 2013 legislative changes. MPERA implemented a one-stop call center, to better serve the participants of the retirement plans, and to answer general member questions. MPERA staff continues to increase education for employers, employees, and participants, through webinars and on-site trainings. Employer training of the new system will begin this spring, to prepare agencies for the transition to PERIS.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Montana Public Employees' Retirement Board for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the sixteenth consecutive year that the Montana Public Employees' Retirement Board has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

PUBLIC PENSION COORDINATING COUNCIL PUBLIC PENSION STANDARDS AWARD

MPERA also received the Public Pension Coordinating Council (PPCC), Public Pension Standards Award for 2014 in recognition of meeting the professional standards for funding and plan administration set forth in the Public Pension Standards. This is the twelfth year the PPCC is offering the PPCC Standards Award Program to public retirement systems. The Public

INTRODUCTORY SECTION

Pension Standards are intended to reflect minimum expectations for public retirement system management and administration, as well as serve as a benchmark by which all defined benefit public plans should be measured. The retirement systems and the state and local governments that sponsor them are encouraged to meet these standards. The standards have two components - the Administrative Standard and the Funding Standard. A system may qualify for and receive a Recognition Certificate for either the Administrative or Funding Standard, or both. This is the tenth time MPERA has received the PPCC award.

ACKNOWLEDGEMENTS

The compilation of this report reflects the efforts of the Fiscal Services Bureau accounting staff of the Montana Public Employees' Retirement Administration. This report is intended to provide complete and reliable information to facilitate the management decision process, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the plans' funds. MPERA received an unmodified opinion from our independent auditors on the financial statements included in this report. This opinion provides assurance that the financial statements can be relied upon.

The reporting employers of each retirement system form the link between the plans and the members. Their cooperation contributes significantly to the success of the plans. We hope the employers and their employees find this report informative.

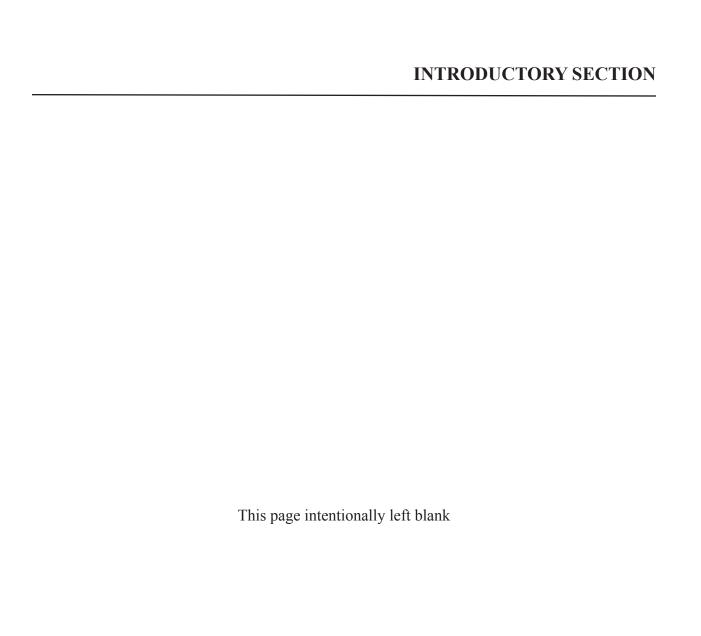
We would like to take this opportunity to express our gratitude to the staff, the advisors, and the many people who have worked so diligently to assure the successful operation of the plans.

Respectfully submitted,

/s/ Dore Schwinden

Dore Schwinden, Executive Director Montana Public Employee Retirement Administration /s/ Scott E. Moore

Scott E. Moore, President Public Employees' Retirement Board





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montana Public Employees' Retirement Board

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2014

Presented to

Montana Public Employees Retirement Administration

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA) National Conference on Public Employee Retirement Systems (NCPERS) National Council on Teacher Retirement (NCTR)

> Alan H. Winkle Program Administrator

Public Employees' Retirement Board

A Component Unit of the State of Montana



Scott Moore, President
Miles City, Active Public Employee
Appointed 4/1/2010
Term Expires 3/31/2015
Email: Scott.Moore@mt.gov



Mike McGinley, Vice President
Dillon, Member at Large
Appointed 4/1/2013
Term Expires 3/31/2018
Email: Mike.McGinley@mt.gov



Warren Dupuis

Helena, PERS DCRP Active Public Employee
Appointed 6/5/2014
Term Expires 3/31/2019
Email: Warren.Dupuis@mt.gov



Maggie Peterson

Anaconda, Experience in Investment Management
Appointed 6/5/2014
Term Expires 3/31/2019
Email: Maggie.Peterson@mt.gov



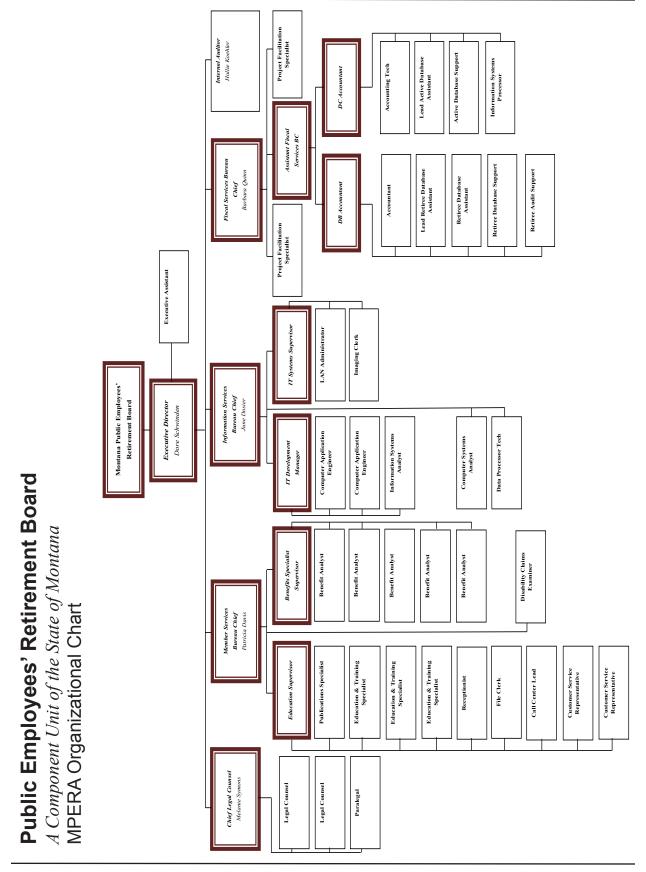
Melissa Strecker
Missoula, Active Public Employee
Appointed 6/25/2012
Term Expires 3/31/2017
Email: Melissa.Strecker@mt.gov

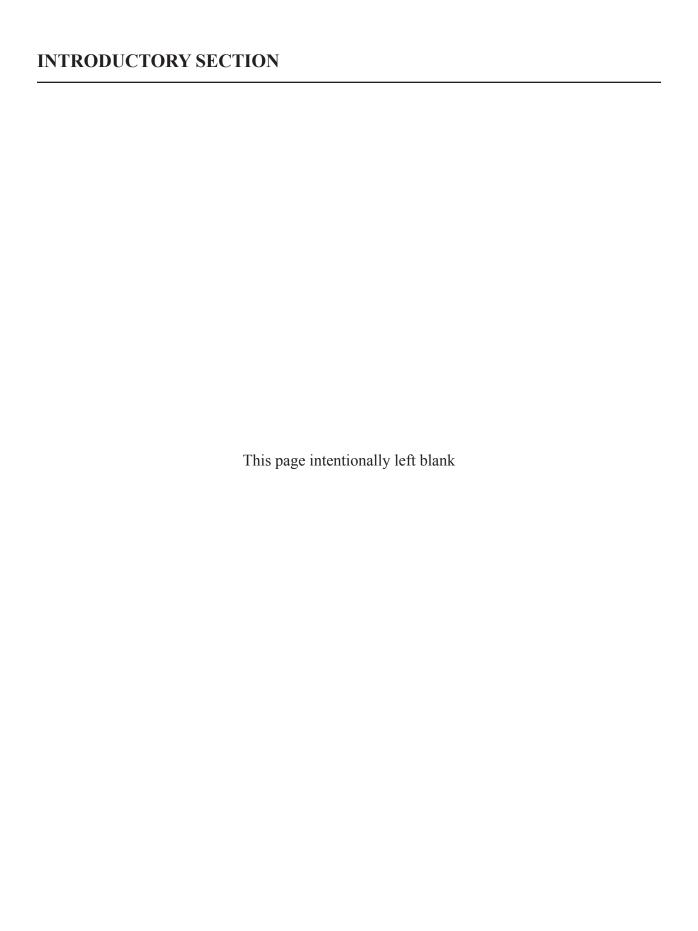


Timm Twardoski
Helena, Member at Large
Reappointed 4/1/2011
Term Expires 3/31/2016
Email: Timm.Twardoski@mt.gov

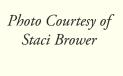


Sheena Wilson
Helena, PERS Retired Member
PERS Board Representative - BOI
Appointed 4/1/2013
Term Expires 3/31/2018
Email: Sheena.Wilson@mt.gov











Fishing in Montana's clear rivers and streams offers visitors and residents a variety of possibilities, including trout, walleye, and paddlefish.



Photos Courtesy of Montana Office of Tourism There are at least 3,200 lakes and rivers in Montana. Boating, rafting, sailing, swimming and fishing are all very popular activities during the summer.

LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor Deborah Butler, Legal Counsel



Deputy Legislative Auditors Cindy Jorgenson Angus Maciver

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee of the Montana State Legislature:

Introduction

We have audited the accompanying Statement of Fiduciary Net Position-Pension Trust Funds of the Public Employees' Retirement Board (board), a component unit of the state of Montana, as of June 30, 2014, and the related Statement of Changes in Fiduciary Net Position-Pension Trust Funds for the fiscal year ended June 30, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's internal control, and accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the board as of June 30, 2014, and the changes in net position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note C, the Game Wardens' and Peace Officers', Sheriffs', and Highway Patrol Officers' retirement systems were not actuarially sound at June 30, 2014, as required by the Montana Constitution. The amortization period for the Unfunded Actuarial Accrued Liability is 30.3 years for the Highway Patrol Officers' Retirement System. The Game Wardens' and Peace Officers' Retirement system and Sheriffs' Retirement System do not amortize. The maximum allowable amortization period is 30 years, as defined by state law. Our opinion is not modified with respect to this matter.

As disclosed in Note A-1 to the financial statements, the system implemented Governmental Accounting Standard Board Statement Number 67, Financial Reporting for Pension Plans, in fiscal year 2014. Our opinion is not modified with respect to this matter.

As disclosed in Note C, beginning in fiscal year 2014 the PERS-DBRP received \$33.7 million in additional contributions from coal severance taxes credited to the General Fund and coal severance tax interest earnings. On the Statement of Changes in Fiduciary Net Position-Pension Trust Funds, the \$33.7 million is classified as miscellaneous revenue. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis, and the Schedule of Changes in Multiple-Employer Plans Net Pension Liability, Schedule of Changes in Single-Employer Plans Net Pension Liability, Schedule of Net Pension Liability for Multiple-Employer Plans, Schedule of Employer and Non-Employer (State) Contributions for Cost-Sharing Multiple-Employer Plans, Schedule of Employer and Non-Employer (State) Contributions for Single-Employer Plans, Schedule of Investment Returns for Multiple-Employer Plans, Schedule of Investment Returns for Single-Employer Plans, Schedule of Funding Progress for PERS-DCRP Disability OPEB, Schedule of Employer Contributions & Other Contributing Entities, and Schedule of Funding Progress for OPEB be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted

in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Administrative Expenses, Schedule of Investment Expenses, and Schedule of Professional/Consultant Fees for the fiscal year ended June 30, 2014; the Detail of Fiduciary Net Position (PERS-DBRP and PERS-DBEd) and the Detail of Fiduciary Net Position (PERS-DCRP, PERS-DCEd and PERS-DC Disability) as of June 30, 2014; and the related Detail of Changes in Fiduciary Net Position (PERS-DBRP and PERS-DBEd), and the Detail of Changes in Fiduciary Net Position (PERS-DCRP, PERS-DCEd and PERS-DC Disability) for the fiscal year ended June 30, 2014, are supplementary information presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Introductory, Investment, Actuarial, and Statistical sections were presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

/s/ Cindy Jorgenson

Cindy Jorgenson, CPA Deputy Legislative Auditor Helena, MT

Public Employees' Retirement Board

A Component Unit of the State of Montana Management's Discussion and Analysis

This section presents management's discussion and analysis of the Montana Public Employees' Retirement Board's (PERB) financial presentation and performance of the plans administered by the PERB for the year ending June 30, 2014. It is presented as a narrative overview and analysis and should be read in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information presented in the Financial Section of this Component Unit Financial Report. Throughout this discussion and analysis units of measure (i.e., billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Financial Highlights

- The PERB's combined total net position of the defined benefit plans increased by \$837.7 million or 15.5% in fiscal year 2014. The increase was primarily due to the positive investment income in each of the plans.
- The PERB's defined contribution plans combined total net position increased by \$60.7 million or 12.1% in fiscal year 2014. The total increase in net position was primarily due to the increase of investment income in the PERS-defined contribution retirement plan and the deferred compensation plan.
- Revenues (additions to plan net position) for the PERB's defined benefit plans for fiscal year 2014 was \$1.2 billion, which includes member and employer contributions of \$302.9 million and net investment income of \$921.0 million.
- Revenues (additions to plan net position) for the PERB's defined contribution plans for fiscal year 2014 was \$91.3 million, which includes member and employer contributions of \$37.8 million and net investment income of \$53.5 million.

- Expenses (deductions to plan net position) for the PERB's defined benefit plans increased from \$361.7 million in fiscal year 2013 to \$386.1 million in fiscal year 2014 or 6.7%. The increase in 2014 is primarily due to an increase in benefits.
- Expenses (deductions to plan net position) for the PERB's defined contribution plans increased from \$25.8 million in fiscal year 2013 to \$30.6 million in fiscal year 2014 or 18.7%. The increase in expenses is primarily due to an increase in distributions.
- The PERB's defined benefit plans' funding objectives are to meet long-term benefit obligations. As of June 30, 2014, the date of the latest actuarial valuation, four of the plans can amortize the Unfunded Actuarial Liability within 30 years or less. They are the Public Employees' Retirement System (PERS), Municipal Police Officers' Retirement System (MPORS), Firefighters' Unified Retirement System (FURS), and the Volunteer Firefighters' Compensation Act (VFCA). The Highway Patrol Officers' Retirement System is able to amortize the *Unfunded Actuarial Liability in 30.3 years.* The plans that are not able to amortize the Unfunded Actuarial Liability are the Sheriffs' Retirement System (SRS), the Game

Wardens' and Peace Officers' Retirement System (GWPORS), and the PERS-DCRP Disability OPEB (DC Disability OPEB). The Judges' Retirement System (JRS) has an actuarial surplus. This means there are more assets than liabilities in the plan. As a whole the plans are actuarially funded at an average of 84%, including JRS' surplus. It is important to understand that this measure reflects the Actuarial Value of Assets for the defined benefit plans, which are currently less than the actual fair value published in the financial statements. Investment earnings are critical to the defined benefit plans. The actuary uses a four-year smoothing method for determining the Actuarial Value of Assets. This method is used to reduce the impact of market volatility. Due to smoothing gains in 2011, 2013 and 2014 and losses in 2012, return on actuarial value ranged from 11% to 12% for all systems, creating actuarial experience gains. These ranges were significantly greater than the actuarial assumed rate of return on investments of 7.75%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PERB's financial reporting which is comprised of the following components:

- (1) Financial Statements
- (2) Notes to the Financial Statements
- (3) Required Supplementary Information
- (4) Other Supplementary Schedules

Collectively, this information presents the combined net position restricted for pension benefits for each of the plans administered by the PERB as of June 30, 2014. This financial information also summarizes the combined changes in net position restricted for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

- (1) Financial Statements for the fiscal year ended June 30, 2014, are presented for the fiduciary funds administered by the PERB. Fiduciary funds are used to pay for pension benefits and expenses. The fiduciary funds are comprised of 11 pension (and other employee benefit) trust funds that consist of nine defined benefit and two defined contribution plans.
- The Statement of Fiduciary Net Position, is presented for the pension trust funds at June 30, 2014. These financial statements reflect the resources available to pay benefits to retirees and beneficiaries at the end of the fiscal year reported.
- The Statement of Changes in Fiduciary Net Position, is presented for the pension trust funds for the year ended June 30, 2014. These financial statements reflect the changes in the resources available to pay benefits to retirees and beneficiaries at the end of the fiscal year reported.
- (2) The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the financial statements. The information in the Notes to the Financial Statements is described as follows:
- Note A provides a summary of significant accounting policies including: the basis of accounting; capital assets and equipment used in operations including MPERAtiv,

the new system project; operating Governmental Accounting lease: Standards Board (GASB) Statement No. 67 Disclosures regarding Financial Reporting for Pension Plans; GASB Statement No. 45 Disclosures regarding Post-Employment Other **Benefits** (OPEB): and summaries of the method to value investments and other significant accounting policies or explanations.

- Note B provides information about litigation.
- Note C describes the membership and descriptions of each of the plans administered by the PERB. Summaries of benefits and contribution information are also provided.
- (3) The Required Supplementary Information consists of multiple-employer and single employer plan schedules of changes of employers' net pension liability, employers ontributions, and the money-weighted rate of investment returns of the defined benefit pension systems administered by the PERB. As well as related notes concerning actuarial information of the defined benefit pension plans and Other Post-Employment Benefits (OPEB) and the related notes to the OPEB plans.
- (4) Other Supplementary Schedules include schedules of administrative expenses, investment expenses, and professional/consultant fees.

Financial Analysis of the Systems – Defined Benefit Plans

Investments

The State of Montana Board of Investments (BOI), as authorized by state law, invests the defined benefit plans' assets in investment pools. Each plan owns an equity position in the pools and receives proportionate investment income from the pools in accordance with respective ownership. The investment pools are: Montana Short Term Investment Pool, Montana Domestic Equity Pool, Retirement Funds Bond Pool, Montana International Equity Pool, Montana Real Estate Pool and Montana Private Equity Pool. Each plan's allocated share of the investment in the pools is shown in the Statement of Fiduciary Net Position of the plan. Investment gains and losses are reported in the Statement of Changes in Fiduciary Net Position.

ECONOMIC CONDITION

According to the Board of Investments Chief Investment Officer, Clifford Sheets, "The pace of economic growth in the U.S. remained moderate over the past year, with a real GDP growth rate of 2.5% year-over-year through June. This annual growth disguised significant underlying volatility, however, given a negative 2.1% annualized rate of growth for the first quarter of this year after above average growth during the second half of 2013. The weak first quarter was blamed on unusually severe winter weather rather than signaling anything more fundamental, and in fact the economy rebounded during the second quarter at a 4.2% annualized pace based on the latest GDP release. Despite the recent volatility, the U.S. economic recovery is now technically entering its sixth year. There are no warning signs of an imminent setback, with the Conference Board's index of U.S. leading indicators having posted a strong advance in July, pointing to continued economic growth over at least the next three to six months.

"Expectations for the balance of 2014 point to continued improvement in the U.S. economy, with several current readings of manufacturing, business investment, and personal consumption showing an upward trend. The consensus outlook for real GDP over the balance of 2014 is calling for a growth rate of 3%. This is the same rate of growth being predicted for the full calendar year 2015 at this time. In comparison, the European economic outlook has deteriorated recently, with the Eurozone countries reporting a flat second quarter, following a prior year of mere 0.1% to 0.3% annualized growth each quarter. Asian economies, on balance, are seeing some slowing in their pace of growth as well while Japan continues its aggressive monetary policy to break the cycle of slow growth and deflation that has plagued the country for over two decades.

"The U.S. also appears to be making better progress than many other countries in its The unemployment employment situation. rate has declined noticeably to a 6.1% rate, down over 1% in the past year. The number of jobs being added has averaged approximately 200,000 per month during the year through This positive trend belies some August. underlying weakness in the labor market however, as indicated by a low labor force participation rate and a high proportion of part time jobs. The Federal Reserve (Fed) remains sensitive to any risk a monetary policy change could pose to the broader economy and the jobs market in particular.

"As the labor market slowly improves there has been a slow but steady improvement in personal consumption as disposable income picks up and consumer confidence remains on a positive track. Corporate profit growth has also remained positive as low inflation, particularly low wage inflation, has allowed companies to maintain high profit margins. This backdrop has bolstered investor confidence and been supportive of the bull market in stocks during the past year.

"Currently the financial markets are focused on central bank policies, particularly in the U.S. and Europe, with a divergence in their respective directions expected over the next year. The Fed has nearly concluded tapering its asset purchase program and the consensus among economists is that an increase in the Fed funds rate is likely in mid-2015. At the same time the European Central Bank is taking more aggressive steps to bolster weak growth and low inflation. How successful the Fed is in managing expectations will be important over the next several months, and will no doubt have a big impact on the reaction of the markets. Still, the fundamental improvement in the U.S. economy is the most important development to keep in mind, though a more mixed message will likely continue to prevail internationally." (Written September 19, 2014)

Defined Benefit Plans Total Investments

At June 30, 2014, the PERB's defined benefit plans held total investments of \$6.1 billion, an increase of \$766.9 million from fiscal year 2013 investment totals. Below are the schedules of Fiduciary Net Position and Changes in Fiduciary Net Position for the

defined benefit plans, including comparative totals from fiscal year 2013.

Analysis of Individual Systems

PERS-DBRP and Education

The PERS-DBRP provides retirement, disability, and death benefits for covered

Fiduciary Net Position - Defined Benefit Plans As of June 30, 2014

(dollars in thousands)

PERS-DCRP

	PER	RS	DISABILITY OPEB1		JRS		HPORS		SRS	
	 2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets:										
Cash and Receivables	\$ 123,734	67,395	2,443	2,182	2,169	1,259	3,091	1,723	7,665	4,507
Securities Lending Collateral	207,294	192,294	2	6	3,520	3,247	5,278	4,903	11,902	10,873
Investments	4,825,560	4,236,336	27	2	81,957	71,548	122,868	108,008	277,018	239,536
Property and Equipment	49	9			2	3	2	2	2	3
Intangible Assets	613	114			180	34	153	28	180	34
Total Assets	5,157,250	4,496,148	2,472	2,190	87,828	76,091	131,392	114,664	296,767	254,953
Liabilities:										
Securities Lending Liability	207,294	192,294	2	6	3,520	3,247	5,278	4,903	11,902	10,873
Other Payables	4,281	2,021			82	52	102	70	207	204
Total Liabilities	211,575	194,315	2	6	3,602	3,299	5,380	4,973	12,109	11,077
Total Net Position	\$ 4,945,675	4,301,833	2,470	2,184	84,226	72,792	126,012	109,691	284,658	243,876

¹ The 2013 figures have been restated due to the DC Disability being classifed as an OPEB fund.

Changes In Fiduciary Net Position - Defined Benefit Plans

For the year ended June 30, 2014 - and comparative totals for June 30, 2013

(dollars in thousands)

PERS-DCRP **PERS DISABILITY OPEB**¹ JRS **HPORS** SRS 2014 2013 2014 2014 2013 2014 2013 2014 2013 Additions: Contributions 222.968 163.257 311 288 2.133 2.363 7.194 6.514 13.136 12.111 Investment Income (Loss) 732,483 505,052 3 5 12,424 8,409 18,684 12,826 41,802 28,154 **Total Additions** 955,451 668,309 314 293 14,557 10,772 25,878 19,340 54,938 40,265 Deductions: Benefits 296.183 274.021 29 29 3.023 2.553 9.344 8.709 12.732 11.583 Refunds 10,357 11,637 99 51 1,211 1,184 **OPEB Expenses** 77 82 1 1 1 1 1 Administrative Expenses 3,704 3,761 99 184 108 180 202 286 Miscellaneous Expenses 1,201 1,211 **Total Deductions** 311,522 290,712 29 29 3,123 2,738 9,552 8,941 14,146 13,054 27,211 Incr/(Decr) in Net Position 643,929 377,597 285 264 11,434 8,034 16,326 10,399 40,792 -2 -11 Prior Period Adjustments

¹ The 2013 figures have been restated due to the DC Disability being classifed as an OPEB fund.

employees of the State, local governments, certain employees of the Montana University System, and school districts. Member and employer contributions and earnings on investments fund the benefits of the plan. All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in

the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. The PERS-DBRP and the DB Education Fund have been combined in these comparisons. The PERS-DBRP net position restricted for pension benefits at June 30, 2014 amounted to \$4.9 billion, an increase of \$643.8 million (15.0%) from \$4.30 billion at June 30, 2013.

GWPO	GWPORS		MPORS		FURS		Α	TOTAL	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
4,056	2,307	19,719	16,015	19,946	16,094	2,408	1,992	185,231	113,474
5,784	5,156	12,864	11,578	12,958	11,609	1,326	1,238	260,928	240,904
134,680	113,666	299,473	255,112	301,618	255,833	30,840	27,147	6,074,041	5,307,188
2	3	2	2	2	2	2	2	63	26
180	34	161	30	159	30	147	27	1,773	331
144,702	121,166	332,219	282,737	334,683	283,568	34,723	30,406	6,522,036	5,661,923
5,784	5,156	12,864	11,578	12,958	11,609	1,326	1,237	260,928	240,903
173	169	166	150	165	133	125	102	5,301	2,901
5,957	5,325	13,030	11,728	13,123	11,742	1,451	1,339	266,229	243,804
138,745	115,841	319,189	271,009	321,560	271,826	33,272	29,067	6,255,807	5,418,119

	GWPORS		MPORS		FUR	FURS		Α	TOTAL		
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
	8,224	7,786	23,641	22,883	23,472	22,110	1,818	1,711	302,897	239,023	
	20,075	13,106	45,244	30,037	45,478	30,035	4,817	3,383	921,010	631,007	
_	28,299	20,892	68,885	52,920	68,950	52,145	6,635	5,094	1,223,907	870,030	
	3,979	3,575	19,450	18,463	18,872	17,670	2,281	2,819	365,893	339,422	
	1,250	864	1,078	1,838	180	73			14,175	15,647	
	1	1	1	1	1	1	1	1	84	89	
	160	246	165	245	152	228	135	205	4,725	5,335	
							14	15	1,215	1,226	
	5,390	4,686	20,694	20,547	19,205	17,972	2,431	3,040	386,092	361,719	
	22,909	16,206	48,191	32,373	49,745	34,173	4,204	2,054	837,815	508,311	
	-4		-12		-12				-131	23	
_											

Additions to the PERS-DBRP net position restricted for pension benefits include employer, member and state contributions, a statutory appropriation from the general fund, and investment income. For the fiscal year ended June 30, contributions increased to \$223.0 million in fiscal year 2014 from \$163.3 million in fiscal year 2013, an increase of \$59.7 million (36.6%). Contributions increased due to members and employers contributing at an increased rate. The plan recognized total net investment income of \$732.5 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$505.1 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

As a result of the 2013 Legislation and effective July 1, 2013, PERS-DBRP receives additional contributions from the coal severance tax fund and interest income from the coal severance tax permanent fund. The coal severance tax collections are credited to the general fund of the State of Montana and are statutorily appropriated on July 1 each year to the trust fund for the PERS-DBRP. The coal tax is transferred quarterly and the interest income is credited monthly. The amount that was received for fiscal year 2014 was \$33.7 million. They are recorded as *Miscellaneous Revenue* in the financial statements.

Deductions from the PERS-DBRP net position restricted for pension benefits include retirement benefits, refunds, and administrative expenses. For fiscal year 2014, benefits amounted to \$296.2 million, an increase of \$22.2 million (8.1%) from fiscal year 2013. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2014,

refunds amounted to \$10.4 million, a decrease of \$1.3 million (11.0%) from fiscal year 2013. The decrease in refunds was due to less people refunding their accounts. For fiscal year 2014, the costs of administering the plan's benefits amounted to \$3.7 million, a decrease of \$57.0 thousand (1.5%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the PERS-DBRP.

An actuarial valuation of the PERS-DBRP assets and benefit obligations is performed annually. The reported differences are in part due to the enactment of HB 454 during the 2013 Legislative Session, and the changes resulting from the preliminary injunction issued December 2013 regarding the GABA provision.

HB 454 lowered the GABA rate for all members including retirees to a maximum of 1.5%. As a result, the fiscal year 2013 valuation was performed using a 1.5% GABA. The preliminary injunction has restored the GABA rate to 3% until the lawsuit is settled, therefore, the fiscal year 2014 valuation was performed using the 3% GABA. Each year a supplemental valuation was performed for the other GABA rate, with the 2013 supplemental using the 3% GABA and the 2014 supplemental using the 1.5% GABA.

When comparing the valuations on June 30, 2014 and June 30, 2013 the years to amortize the unfunded actuarial liability is 29.3 years (3% GABA) and 14.5 years (1.5% GABA), respectively. When comparing the supplemental valuations on June 30, 2014

and June 30, 2013 the years to amortize the unfunded actuarial liability is 10.5 years (1.5% GABA) and 43.7 years (3% GABA), respectively.

The funded status of the plan increased to 74% at June 30, 2014 (3% GABA) from 70% at June 30, 2013 (3% GABA). The funded status at June 30, 2013 was 80% (1.5% GABA) when the valuation was produced using the 1.5% GABA. The PERS-DBRP actuarial value of assets was less than actuarial liabilities by \$1.6 billion at June 30, 2014 (3% GABA), compared with \$1.8 billion at June 30, 2013 (3% GABA) or \$1.0 billion at June 30, 2013 (1.5% GABA). The main reason for the increase in the unfunded actuarial liability was the preliminary injunction keeping the GABA at 3%. The reversion back to the GABA provisions specified by the statute prior to the enactment of HB 454 increased the actuarial liability by \$810.7 million. Furthermore, the increase in the unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$224 million and a total liability loss adding \$799 million to the actuarial liability as a result of the experience of the plan being different from the actuarial assumptions.

PERS-DCRP DISABILITY OPEB

The PERS-DCRP Disability OPEB provides disability benefits for defined contribution plan members. A percentage of employer contributions and earnings on investments fund the benefits of the plan. The DC Disability OPEB net position restricted for pensions at June 30, 2014 amounted to \$2.47 million, an increase of \$286 thousand (13.1%) from \$2.18 million at June 30, 2013.

Additions to the DC Disability OPEB net position restricted for pension benefits include employer contributions and investment income. For the fiscal year ended June 30, 2014, employer contributions amounted to \$311 thousand, an increase of \$23 thousand (8.1%) from fiscal year 2013. Contributions increased due to an increase in payroll. The plan recognized total net investment income of \$3 thousand for the fiscal year ended June 30, 2014 compared with total net investment income of \$5 thousand for the fiscal year ended June 30, 2013. The decrease in investment income is a result of the lower average yield earned in the Short-Term Investment Pool (STIP), which was the sole asset held during the fiscal year. The investments have historically been directed to STIP due to, in comparison to other funds, the immaturity of this plan and relatively small amount of investable assets. After FY2014, a plan was initiated to further diversify the assets of the DC Disability OPEB into longer term asset classes with potentially higher returns over time. MPERA and BOI have begun work to further diversify the DC Disability OPEB assets with this objective and action will be taken as soon as administratively possible.

Deductions from the DC Disability OPEB net position restricted for pension benefits are disability retirement benefits. For fiscal year 2014, benefits amounted to \$29.5 thousand, an increase of \$461 (1.6%) from fiscal year 2013.

An actuarial valuation of the DC Disability OPEB assets and disability benefit obligations is performed every two years. The valuation was performed using the June 30, 2013 data and demographic and economic assumptions. At June 30, 2013, the date of the most recent actuarial valuation, the unfunded actuarial liability does not amortize. The funded status of the plan is 80.5% and the unfunded actuarial liability is \$500 thousand.

During the year ended June 30, 2013, the DC

Disability OPEB assets gained 0.25% on a market basis. This return was below the DC Disability OPEB assumed rate of return of 3.50%. Because this is the first valuation for DC Disability OPEB, the actuarial value of assets is set equal to the market value of assets.

JRS

The JRS provides retirement, disability, and death benefits for all Montana judges of the district courts, justices of the Supreme Court, the Chief Water Judge and the Associate Water Judge. Member and employer contributions and earnings on investments fund the benefits of the plan. The JRS net position restricted for pensions at June 30, 2014 amounted to \$84.2 million, an increase of \$11.4 million (15.7%) from \$72.8 million at June 30, 2013.

Additions to the JRS net position restricted for pension benefits include member and employer contributions, and investment income. For the fiscal year ended June 30, 2014, contributions amounted to \$2.1 million, a decrease of \$230 thousand (9.7%) from fiscal year 2013. Even though there was an increase of one active member, contributions decreased due to the timing of members retiring and no longer contributing to the plan. The plan recognized total net investment income of \$12.4 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$8.4 million for the fiscal year ended June 30. 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the JRS net position restricted for pension benefits include retirement benefits, and administrative expenses. For fiscal year 2014, benefits amounted to \$3.0 million, an increase of \$470 thousand (18.4%) from fiscal year 2013. The increase in benefits was due to an increase in retirees and an increase in the average recipient's benefit due

to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA recipients. For fiscal year 2014, administrative expenses amounted to \$99 thousand, a decrease of \$85 thousand (46.2%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the JRS.

An actuarial valuation of the JRS assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the years to amortize the unfunded actuarial liability is still zero due to the actuarial surplus. The funded status of the plan increased to 155% at June 30, 2014 from 143% at June 30, 2013.

The JRS actuarial value of assets was more than actuarial liabilities by \$27.9 million at June 30, 2014, compared with a \$21.1 million actuarial surplus at June 30, 2013. The decrease in the unfunded actuarial liability as of the last actuarial valuation is due to recognizing past investment gains of \$3.6 million and a total liability gain deducting \$1.0 million from the actuarial liability as a result of the experience of the plan being different from the actuarial assumptions and the increase in retirements.

HPORS

The HPORS provides retirement, disability, and death benefits for members of the Montana Highway Patrol. Member and employer contributions, a statutory appropriation from the general fund, and earnings on investments fund the benefits of the plan. The HPORS net position restricted for pensions at June 30.

2014 amounted to \$126.0 million, an increase of \$16.3 million (14.9%) from \$109.7 million at June 30, 2013.

Additions to the HPORS net position pension benefits include restricted for employer and member contributions, a statutory appropriation from the general fund, and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$7.2 million from \$6.5 million in fiscal year 2013, an increase of \$680 thousand (10.4%). Contributions increased due to an increase in active members contributing to the plan and an increase in employer and employee contribution rates as of July 1, 2013. The plan recognized total net investment income of \$18.7 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$12.8 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from **HPORS** the net position restricted for pension benefits include retirement benefits, refunds, and administrative expenses. For fiscal year 2014, benefits amounted to \$9.3 million, an increase of \$636 thousand (7.3%) from fiscal year 2013. The increase in benefit payments was due to an increase in benefit recipients and the increases in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA recipients. For fiscal year 2014, refunds amounted to \$99 thousand, an increase of \$47 thousand (92.7%) from fiscal year 2013. The increase in refunds was due to the same number of refund requests from members but generally with larger account balances. For fiscal year 2014, administrative expenses were \$108 thousand, a decrease of \$73 thousand (40.2%) from fiscal year 2013.

The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the HPORS.

An actuarial valuation of the HPORS assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the years to amoritize the unfunded actuarial liability is 30.3 years a decrease from 44.6 years at June 30, 2013. The funded status of the plan increased to 64% at June 30, 2014 from 60% at June 30, 2013.

The HPORS actuarial value of assets was less than actuarial liabilities by \$66.2 million at June 30, 2014, compared with \$69.9 million at June 30, 2013. The decrease in the unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$5.6 million and a total liability loss adding \$267 thousand to the actuarial liability as a result of salaries and the experience of the plan being different from the actuarial assumptions.

SRS

The SRS provides retirement, disability, and death benefits for all Department of Justice criminal investigators hired after July 1, 1993, detention officers hired after July 1, 2005, and all Montana sheriffs. Member and employer contributions and earnings on investments fund the benefits of the plan. The SRS net position restricted for pension benefits at June 30, 2014 amounted to \$284.7 million, an increase of \$40.8 million (16.7%) from \$243.9 million at June 30, 2013.

Additions to the SRS net position restricted

for pension benefits include member and employer contributions, and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$13.1 million from \$12.1 million in fiscal year 2013, for an increase of \$1.0 million (8.5%). The increase in contributions was due to an increase in active members contributing to the plan. The plan recognized total net investment income of \$41.8 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$28.2 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the SRS net position restricted for pension benefits include retirement benefits, refunds, and administrative expenses. For fiscal year 2014, benefits amounted to \$12.7 million, an increase of \$1.1 million (9.9%) from fiscal year 2013. The increase in benefit payments was due to an increase in benefit recipients and an increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2014, refunds amounted to \$1.2 million, an increase of \$28 thousand (2.3%) from fiscal year 2013. The increase in refunds was due to fewer refund requests from members but with generally larger account balances. For fiscal year 2014, administrative expenses amounted to \$202 thousand, a decrease of \$84 thousand (29.4%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the SRS.

An actuarial valuation of the SRS assets and

benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the unfunded actuarial liability does not amortize, same as fiscal year ended June 30, 2013. The funded status of the plan increased to 81% at June 30, 2014 from 77% at June 30, 2013.

The SRS actuarial value of assets was less than actuarial liabilities by \$61.1 million at June 30, 2014, compared with \$68.9 million at June 30, 2013. The decrease in the unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$12.2 million and a total liability gain deducting \$195 thousand from the actuarial liability as a result of the experience of the plan being different from the actuarial assumptions.

GWPORS

The GWPORS provides retirement, disability, and death benefits for game wardens, warden supervisory personnel and state peace officers. Member and employer contributions and earnings on investments fund the benefits of the plan. The GWPORS net position restricted for pension benefits at June 30, 2014, amounted to \$138.7 million, an increase of \$22.9 million (19.8%) from \$115.8 million at June 30, 2013.

Additions to the GWPORS net position restricted for pension benefits include member and employer contributions, and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$8.2 million from \$7.8 million in fiscal year 2013, an increase of \$438 thousand (5.6%). Although the plan saw a decrease in active plan members, the contributions increased slightly due to an increase in active members' compensation. The plan recognized total net investment income of \$20.1 million for the fiscal year ended June 30, 2014, compared with total net

investment income of \$13.1 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the GWPORS net position restricted for pensions include retirement benefits, refunds, and administrative expenses. For fiscal year 2014, benefits amounted to \$4.0 million, an increase of \$404 thousand (11.3%) from fiscal year 2013. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA). For fiscal year 2014, refunds amounted to \$1.3 million, an increase of \$387 thousand (44.8%) from fiscal year 2013. The increase in refunds was due to fewer refund requests from members but with generally larger account balances. For fiscal year 2014, administrative expenses amounted to \$160 thousand, a decrease of \$86 thousand (34.9%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the GWPORS

An actuarial valuation of the GWPORS assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the unfunded actuarial liability does not amortize, same as fiscal year ended June 30, 2013. The funded status of the plan increased to 84% at June 30, 2014 from 80% at June 30, 2013.

The GWPORS actuarial value of assets was less than actuarial liabilities by \$25.2 million at June 30, 2014, compared with

\$27.9 million at June 30, 2013. The decrease in unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$5.5 million and a total liability loss adding \$731 thousand to the actuarial liability as a result of salaries and the experience of the plan being different from the actuarial assumptions.

MPORS

The MPORS provides retirement, disability, and death benefits for municipal police officers employed by first- and second-class cities, and other cities that adopt the plan. MPORS also has an option for members to participate in a Deferred Retirement Option Plan (DROP). Member, employer and state contributions and earnings on investments fund the benefits of the plan. The MPORS net position restricted for pension benefits at June 30, 2014 amounted to \$319.2 million, an increase of \$48.2 million (17.8%) from \$271.0 million at June 30, 2013.

Additions to the MPORS net position restricted for pension benefits include employer, member, and state contributions. and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$23.6 million from \$22.9 million in fiscal year 2013, for an increase of \$758 thousand (3.3%). Contributions increased due to an increase of active members contributing to the plan. The plan recognized total net investment income of \$45.2 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$30.0 million for fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the MPORS net position restricted for pension benefits include retirement benefits, refunds, and

administrative expenses. For fiscal year 2014, benefits amounted to \$19.5 million, an increase of \$987 thousand (5.3%) from fiscal year 2013. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment (GABA) or the minimum benefit adjustment for non-GABA recipients. For fiscal year 2014, refunds amounted to \$1.1 million, a decrease of \$759 thousand (41.3%) from fiscal year 2013. The decrease in refunds for fiscal year 2014 was due to fewer refunds being processed for smaller dollar amounts. For fiscal year 2014, administrative expenses were \$165 thousand, a decrease of \$79.3 thousand (32.4%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the MPORS

An actuarial valuation of the MPORS assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the years to amortize the unfunded actuarial liability decreased to 19.6 years from 23.8 years at June 30, 2013. The funded status of the plan increased to 63% at June 30, 2014 from 58% at June 30, 2013.

The MPORS actuarial value of assets was less than actuarial liabilities by \$175.6 million at June 30, 2014, compared with \$187.4 million at June 30, 2013. The decrease in the actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$12.5 million and a total liability gain deducting \$2.0 million from the actuarial liability as a result of the experience

of the plan being different from the actuarial assumptions.

FURS

The FURS provides retirement, disability, and death benefits for firefighters employed by first- and second-class cities, other cities and rural fire departments that adopt the plan, and firefighters hired by the Montana Air National Guard (MANG) on or after October 1, 2001. Member, employer, and state contributions, and earnings on investments fund the benefits of the plan. The FURS net position restricted for pension benefits at June 30, 2014, amounted to \$321.6 million, an increase of \$49.7 million (18.3%) from \$271.8 million at June 30, 2013.

Additions to the FURS net position restricted for pension benefits include employer, member. and state contributions, investment income. For the fiscal year ended June 30, 2014, contributions increased to \$23.5 million from \$22.1 million in fiscal year 2013, an increase of \$1.4 million (6.2%). Contributions increased due to an increase of active members contributing to the plan. The plan recognized total net investment income of \$45.5 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$30.0 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the FURS net position restricted for pension benefits include retirement benefits, refunds, and administrative expenses. For fiscal year 2014, benefits amounted to \$18.9 million, an increase of \$1.2 million (6.8%) from fiscal year 2013. The increase in benefit payments was due to the increase in benefit recipients and the increase in the average recipient's benefit due to the guaranteed annual benefit adjustment

(GABA) or the minimum benefit adjustment for non-GABA recipients. For fiscal year 2014, refunds amounted to \$180 thousand, an increase of \$107 thousand (146.3%) from fiscal year 2013. The increase in refunds was due to an increase in refund requests and refunds being processed at a larger dollar amount. For fiscal year 2014, administrative expenses were \$152 thousand, a decrease of \$75 thousand (33.1%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the **FURS**

An actuarial valuation of the FURS assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the years to amortize the unfunded actuarial liability decreased to 11.3 years from 13.9 years at June 30, 2013. The funded status of the plan increased to 72% at June 30, 2014 from 66% at June 30, 2013.

The FURS actuarial value of assets was less than actuarial liabilities by \$118.1 million at June 30, 2014, compared with \$133.3 million at June 30, 2013. The decrease in unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$12.5 million and a total liability gain deducting \$160 thousand from the actuarial liability as a result of the experience of the plan being different from the actuarial assumptions.

VFCA

The VFCA provides retirement, disability, and death benefits for volunteer firefighters who are members of eligible volunteer fire

companies in unincorporated areas. State contributions and earnings on investments fund the benefits of the plan. The VFCA net position restricted for pension benefits at June 30, 2014 amounted to \$33.3 million, an increase of \$4.2 million (14.5%) from \$29.1 million at June 30, 2013.

Additions to the VFCA net position restricted for pension benefits include state contributions, and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$1.8 million from \$1.7 million in fiscal year 2013, an increase of \$107 thousand (6.2%). Contributions increased because of increased fire insurance premium taxes distributed to the VFCA from the general fund. The plan recognized total net investment income of \$4.8 million for the fiscal year ended June 30, 2014, compared with total net investment income of \$3.4 million for the fiscal year ended June 30, 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the VFCA net position restricted for pension benefits include retirement benefits, administrative expenses, and supplemental insurance payments. For fiscal year 2014, benefits amounted to \$2.3 million, a decrease of \$538 thousand (19.1%) from fiscal year 2013. Although there was an increase in benefit recipients, the recipients are retiring earlier with less credited years of service. For fiscal year 2014, administrative expenses amounted to \$135 thousand, a decrease of \$70 thousand (34.3%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the

FINANCIAL SECTION

VFCA. For fiscal year 2014, supplemental insurance payments amounted to \$14 thousand, a decrease of \$1 thousand from fiscal year 2013.

An actuarial valuation of the VFCA assets and benefit obligations is performed annually. At June 30, 2014, the date of the most recent actuarial valuation, the years to amortize the unfunded actuarial liability decreased to 5.1 years from 8.5 years at June 30, 2013 and the funded status of the plan increased to 82% at June 30, 2014 from 75% at June 30, 2013.

The VFCA actuarial value of assets was less than actuarial liabilities by \$6.7 million at June 30, 2014, compared with \$9.5 million at June 30, 2013. The decrease in unfunded actuarial liability as of the last actuarial valuation is a result of recognizing past investment gains of \$1.3 million and a total liability gain deducting \$618 thousand from the actuarial liability as a result of the experience of the plan being different from the actuarial assumptions and retroactive credited years of service adjustments.

Actuarial Valuations and Funding Progress

An experience study was performed during fiscal year 2010 for the six year period July 1, 2003 to June 30, 2009. The experience study resulted in changes to the demographic and some of the economic actuarial assumptions and implementation of new actuarial factors. An economic experience study was performed during August 2013. This experience study looked at the following economic assumptions: inflation, investment rate of return, wage growth, and interest on member contributions. The results were presented to the PERB September 12, 2013. The PERB voted to maintain the assumptions of the 2010

experience study. Due to the implementation of GASB No. 67, the PERB did adopt a new economic assumption, the Administrative Expenses as a Percentage of Payroll. The administrative expense assumption is now explicitly stated as a cost element rather than being included implicitly within the investment return.

The following table shows the administrative expense rate for each of the defined benefit plans, excluding DC Disability OPEB.

Administrative Expenses as a
Percentage of Payroll

as of June 30, 2014

System	Percentage
PERS-DBRP	0.27%
JRS	0.15%
HPORS	0.23%
SRS	0.17%
GWPORS	0.17%
MPORS	0.20%
FURS	0.19%
VFCA*	N/A

* Not applicable to VFCA, members are unpaid volunteers The Administrative Expense assumption is a flat dollar amount of \$61,000.

An actuarial valuation of each of the defined benefit plans is performed annually. The most recent actuarial valuation was performed for fiscal year ended June 30, 2014. The DC Disability OPEB plan valuation is performed biennially and was last valued on June 30, 2013.

The PERB's funding objective is to meet longterm benefit obligations through investment income and contributions. Accordingly, the collection of employer and member contributions and other contributions for some systems, and the income from investments provide the cash flow needed to finance future retirement benefits. Historically the Annual Required Contribution (ARC) has been a critical component of funding for defined benefit plans. Effective for financial statements for fiscal years beginning after June 15, 2013, the new Governmental Accounting Standards Board (GASB) Statement No. 67 no longer defines an ARC. This has been replaced with the Actuarial Determined Contribution (ADC). The ADC, as defined by GASB, is a target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Investment earnings are also critical to the defined benefit plans' funding; investment losses deteriorate the plans' funding. Market losses were experienced in fiscal years 2001, 2002 and fiscal years 2008 and 2009. Positive market returns were experienced in fiscal years 2003 through 2007 and fiscal years 2010 through 2014. The funding status increased for all defined benefit plans in the latest valuation.

Montana's Constitution requires the public retirement plans to be funded on an actuarially sound basis. Public pension plans are considered actuarially sound if the unfunded accrued actuarial liability amortization period is 30 years or less. All systems were actuarially funded within 30 years in 2007 and 2008. This was due to positive investment returns, recognition of all losses experienced in 2001 and 2002, and the \$25 million cash infusion in 2006 from the State of Montana to the PERS-DBRP. The impact of the negative investment returns in 2008 and 2009 resulted in the PERS-DBRP not amortizing in fiscal years 2009, 2010, 2011, and 2012; and GWPORS and SRS, not amortizing in fiscal years 2009,

2010, 2011, 2012, 2013, and 2014. However, the asset smoothing method impacts are limited to four years.

During the 2013 Legislative session, House Bill (HB) 454 made changes to PERS employer contributions. These changes were effective July 1, 2013. Employers pay 1% more in addition to the 0.27% added in 2007 and 2009. The employer rate will increase by an additional 0.1% per year for 10 years until reaching a total increase of 2.27%. All additional contributions including the 0.27% added in 2007 and 2009 will cease when the amortization period drops below 25 years and remains below 25 years following the reduction of all additional contributions.

Similarly, due to 2013 legislation, effective July 1, 2013, the PERS-DBRP member contributions were increased 1% from 6.9% to 7.9%, but will be reduced when the amortization period drops below 25 years and remains below 25 years following the reduction of all additional contributions.

Effective July 1, 2013, HB 454 decreased the GABA for PERS-DBRP current and future retirees, to a cap of 1.5% and further reduced the GABA 0.1% for each 2% that the funded ratio is less than 90%. Additionally, if the amortization period exceeds 40 years the GABA will be zero. However, on December 20, 2013, a preliminary injunction was granted and the 3% GABA is restored until the lawsuit is resolved.

HB 454, also effective July 1, 2013, created a statutorily appropriation to the PERS-DBRP trust fund from the coal severance tax collections during the year and an appropriation of the interest income from the coal tax permanent fund to the PERS-DBRP trust fund. The coal severance taxes collected

are credited to the general fund of the State of Montana and are statutorily appropriated on July 1 each year to the trust fund for the PERS-DBRP. The coal tax is transferred quarterly and the interest income is credited monthly. They are recorded as *Miscellaneous Revenue* in the financial statements

Effective July 1, 2013, in HPORS, the employer contribution rate increased from 36.33% to 38.33% of pay and all member contributions increase at a rate of 1% per year for four years. GABA was also reduced for new hires from 3.0% to 1.5% and the vesting period for new hires increased from 5 years to 10 years.

According to the PERB's June 30, 2014 actuarial valuations, the HPORS made considerable improvements in funding with the 2013 plan changes and now amoritizes in 30.3 years. The unfunded liability in GWPORS, SRS, and DC Disability OPEB does not amortize.

Overall, funding ratios range from a high of 155% (JRS) to a low of 63% (MPORS). The Schedule of Funding Progress, in the Actuarial Section of this report, shows the funding for the last six fiscal years. The table also shows the amount by which actuarial assets exceeded or fell short of actuarial liabilities. The actuary performs a smoothing of investment gains or losses over a period of four years. At June 30, 2014, the actuarial value of assets of all plans, excluding DC Disability OPEB, was less than the market value of assets by \$433.6 million due to an average positive 16.82% market return in fiscal year 2014.

Defined Contribution Plans

The PERB administers two defined contribution plans: The Public Employees' Retirement System-Defined Contribution Retirement Plan (PERS-DCRP) and the Deferred Compensation (457) Plan. Below and at the bottom of the next page are the schedules of Fiduciary Net Position and

Fiduciary Net Position - Defined Contribution Plans

As of June 30, 2014 - and comparative totals for June 30, 2013

(dollars in thousands)

	PERS-DCRP		457-P	457-PLAN		TOTAL	
	2014	2013 ¹	2014	2013	2014	2013	
Assets:							
Cash and Receivables	\$ 1,75	7 2,053	1,305	1,616	3,062	3,669	
Securities Lending Collateral		1 4	1	4	2	8	
Investments	127,74	101,414	432,457	397,619	560,198	499,033	
Property and Equipment	-	7 2	6	2	13	4	
Intangible Assets	147	7 27	174	32	321	59	
Total Assets	129,65	3 103,500	433,943	399,273	563,596	502,773	
Liabilities:							
Securities Lending Collateral		1 4	1	4	2	8	
Other Payables	238	3 197	465	413	703	610	
Total Liabilities	239	9 201	466	417	705	618	
Total Net Position - restricted for pensions	\$ 129,414	103,299	433,477	398,856	562,891	502,155	

¹ The 2013 figures have been restated due to the DC Disability being classifed as an OPEB fund. These figures are now reported on the Defined Benefit Financial Statements as PERS-DCRP Disability OPEB.

Changes in Fiduciary Net Position for the two defined contribution plans including comparative totals from fiscal year 2013.

PERS-DCRP

The PERS-DCRP is established under section 401(a) of the Internal Revenue Code and Title 19, chapters 2 & 3 of the Montana Code Annotated (MCA). This plan provides retirement, disability, and death benefits for plan members. This plan was available to all active PERS members effective July 1, 2002. All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. The plan member and employer contributions and earnings on investments fund the benefits of the plan. The PERS-DCRP net position restricted for pension benefits at June 30, 2014, amounted to \$129.4 million, an increase of \$26.1 million (25.3%) from \$103.3 million at June 30, 2013.

Additions to the PERS-DCRP net position restricted for pension benefits include contributions and investment income. For the fiscal year ended June 30, 2014, contributions increased to \$13.2 million from \$11.5 million in fiscal year 2013, an increase of \$1.8 million (15.3%) from fiscal year 2013. Contributions increased due to an increase in the total compensation reported as a result of an increase in active participants and an increase in member and employer contribution rates. The plan recognized net investment income of \$18.4 million for fiscal year ended 2014, compared with net investment income of \$11.7 million in fiscal year 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the PERS-DCRP net position restricted for pension benefits include member distributions, administrative expenses, and miscellaneous expenses. For fiscal year 2014, distributions amounted to \$4.7 million, an

Changes In Fiduciary Net Position - Defined Contribution Plans

For the year ended June 30, 2014 - and comparative totals for June 30, 2013

(dollars in thousands)

	PERS-DCRP		457-PLAN		TOTAL		
	2	2014	2013 ¹	2014	2013	2014	2013
Additions:							_
Contributions	\$	13,236	11,480	24,527	20,633	37,763	32,113
Investment Income (Loss)		18,367	11,679	35,165	21,219	53,532	32,898
Total Additions		31,603	23,159	59,692	41,852	91,295	65,011
Deductions:							
Distributions		4,738	4,350	24,250	19,644	28,988	23,994
OPEB Expenses		10	9	6	5	16	14
Administrative Expenses		548	576	400	440	948	1,016
Miscellaneous Expenses		174	162	458	581	632	743
Total Deductions		5,470	5,097	25,114	20,670	30,584	25,767
Incr/(Decr) in Net Position	\$	26,133	18,062	34,578	21,182	60,711	39,244
Prior Period Adjustments		(2,202)		42		(2,160)	

¹ The 2013 figures have been restated due to the DC Disability being classifed as an OPEB fund. These figures are now reported on the Defined Benefit Financial Statements as PERS-DCRP Disability OPEB.

increase of \$387 thousand (8.9%) from fiscal year 2013. The increase in distributions was due to defined contribution members taking IRS permitted rollovers and periodic or lump sum distributions at larger dollar amounts. For fiscal year 2014, the costs of administering the plan amounted to \$549 thousand, a decrease of \$27 thousand (4.8%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the PERS-DCRP.

Miscellaneous expenses increased from \$162 thousand in fiscal year 2013 to \$174 thousand in fiscal year 2014, an increase of \$12 thousand (7.3%) from fiscal year 2013. The increase in miscellaneous expenses was due to the change in accounting classification of these fees from consulting fees to investment expenses and the PERB's decision to reduce the fees charged to participants. Miscellaneous expenses are the PERB's administrative fees assessed by the vendors based on account balances.

Deferred Compensation (457(b)) Plan

The Deferred Compensation Plan is established under section 457(b) of the Internal Revenue Code and Title 19, chapter 50 of the Montana Code Annotated (MCA). This plan is a voluntary supplemental retirement savings plan for those who choose and are eligible to participate. The Deferred Compensation Plan is funded by contributions and by investment earnings. The Deferred Compensation net position restricted for pension benefits at June 30, 2014 amounted to \$433.5 million, an increase of \$34.6 million (8.7%) from \$398.9 million at June 30, 2013.

Additions to the Deferred Compensation Plan net position restricted for pension benefits include contributions and investment income. For fiscal year 2014, contributions increased to \$24.5 million from \$20.6 million in fiscal year 2013, an increase of \$3.9 million (18.9%). Contributions increased due to an increase in overall membership, an increase in the amount of deferrals to the plan, and the addition of two contracting employers who contribute to the plan on their employees behalf. The plan recognized net investment income of \$35.2 million for fiscal year 2014, compared with net investment income of \$21.2 million for fiscal year 2013. The increase in investment income is a result of a strong year of investment returns.

Deductions from the Deferred Compensation Plan net position restricted for pension benefits include member and beneficiary distributions, administrative expense, and miscellaneous expenses. For fiscal year 2014, distributions amounted to \$24.3 million, an increase of \$4.6 million (23.5%) from \$19.6 million in fiscal year 2013. The increase in distributions was due to more deferred compensation participants distributions. taking administrative expenses decreased from \$440 thousand in fiscal year 2013 to \$400 thousand in fiscal year 2014, a decrease of \$40 thousand (9.1%) from fiscal year 2013. The decrease in administrative expenses for fiscal year 2014 was due to the ability to capitalize, instead of expense, costs for the application development stage associated with the continuing data cleansing and technological development of a new computer application to modernize the administrative processes associated with the Deferred Compensation Plan.

Miscellaneous expenses, decreased from \$581 thousand in fiscal year 2013 to \$458 thousand

in fiscal year 2014, a decrease of \$123 thousand (21.2%) from fiscal year 2013. The decrease in miscellaneous expenses was due to the change in accounting classification of these fees from consulting fees to investment expenses and the

PERB's decision to reduce the fees charged to participants. Miscellaneous expenses are the PERB's administrative fees assessed by the vendors based on account balances.

Public Employees' Retirement Board

 $A\ Component\ Unit\ of\ the\ State\ of\ Montana$ Statement of Fiduciary Net Position - Pension Trust Funds as of June 30, 2014

PERS-DCRP

	PERS-DBRP	DISABILITY OPEB	JRS	HPORS	SRS	GWPORS
Assets						
Cash and Short-term Investments	\$ 112,640,49	4 2,433,716	2,072,701	2,954,562	7,144,759	3,905,823
Securities Lending Collateral (Note A6)	207,294,05	9 1,819	3,520,162	5,278,340	11,902,273	5,784,020
Receivables						
Interest	5,366,67	0 234	91,166	136,659	308,149	149,800
Accounts Receivable	1,649,01	2	4,757		212,039	29
Due from Other Funds	455,54	9 8,764				
Due from Primary Government	3,601,86	9				
Notes Receivable	20,71	4				
Total Receivables	11,093,81	4 8,998	95,923	136,659	520,188	150,09
Investments, at fair value (Note A6)						
Montana Domestic Equity Pool (MDEP)	1,933,145,41	6	32,822,168	49,217,235	110,982,408	53,924,61
Retirement Fund Bond Pool (RFBP)	1,069,517,47	5	18,164,286	27,240,251	61,416,932	29,847,669
Montana International Equity Pool (MTIP)	877,318,00	9	14,901,247	22,336,148	50,345,809	24,481,72
Montana Private Equity Pool (MPEP)	517,872,90	3	8,795,905	13,183,996	29,720,257	14,481,38
Montana Real Estate Pool (MTRP)	426,527,65	9	7,251,400	10,861,912	24,475,124	11,905,568
Structured Investment Vehicles (SIV)	1,178,65	2 26,902	21,506	28,656	77,400	39,29
Defined Contributions Fixed Investments						
Defined Contributions Variable Investments						
Deferred Compensation Life Insurance						
Total Investments	4,825,560,11	4 26,902	81,956,512	122,868,198	277,017,930	134,680,25
Capital Assets						
Property and Equipment, at cost,						
net of Accumulated Depreciation (Note A2)	48,58	5	1,850	1,570	1,850	1,850
Intangible Assets, at cost,						
net of Amortization Expense (Note A2)	613,26	1	180,001	152,792	180,001	180,00°
Total Capital Assets	661,84	6	181,851	154,362	181,851	181,85°
Total Assets	5,157,250,32	7 2,471,435	87,827,149	131,392,121	296,767,001	144,702,042
Liabilities						
Securities Lending Liability	207,294,05	9 1,819	3,520,162	5,278,340	11,902,273	5,784,02
Accounts Payable	1,042,09	6	61,817	54,481	67,596	79,42
Unearned Revenue	106,67	6		4,549	10,846	8,24
Due to Other Funds	376,00	5	9,304	31,677	112,231	70,40
Due to Primary Government	2,069,36	6				
Compensated Absences	294,11	1	9,355	7,940	9,355	9,35
OPEB Implicit Rate Subsidy LT	392,84	8	1,527	2,924	7,279	5,34
Total Liabilities	211,575,16	1 1,819	3,602,165	5,379,911	12,109,580	5,956,79
Net Position - Postriote of few Possesius P	¢ 404507540	0 400 040	04.004.004	426.040.040	204 057 404	420 745 01
Net Position - Restricted for Pension Benefits The notes to the financial statements are an in			84,224,984	126,012,210	284,657,421	138,745,248

The notes to the financial statements are an integral part of this statement.

		Defined Ber	nefit Pension Plans		Defined (Contribution Plans	
			Total Defined			Total Defined	Total Pension
			Benefit			Contribution	Trust Funds
MPORS	FURS	VFCA	Pension Plans	PERS-DCRP	457 Plan	Plans	2014
6,115,996	6,418,098	2,373,514	146,059,663	1,384,379	1,030,798	2,415,177	148,474,84
12,863,741	12,957,777	1,325,836	260,928,033	904	708	1,612	260,929,64
333,103	335,451	34,310	6,755,542	120	97	217	6,755,75
220,563	184,766	668	2,272,097	17,821	274,498	292,319	2,564,41
			464,313	355,104		355,104	819,41
13,048,938	13,007,210		29,658,017				29,658,01
			20,714				20,71
13,602,604	13,527,427	34,978	39,170,683	373,045	274,595	647,640	39,818,32
119,960,980	120,837,029	12,354,213	2,433,244,062				2,433,244,062
66,376,974	66,856,361	6,833,723	1,346,253,671				1,346,253,67
54,440,301	54,854,984	5,603,078	1,104,281,298				1,104,281,298
32,111,372	32,331,969	3,297,163	651,794,946				651,794,940
26,516,296	26,667,085	2,726,359	536,931,403				536,931,40
66,584	70,118	25,737	1,534,852	13,365	10,468	23,833	1,558,68
,	,	ŕ		10,014,868	235,981,392	245,996,260	245,996,260
				117,713,137	196,452,846	314,165,983	314,165,98
					12,316	12,316	12,310
299,472,507	301,617,546	30,840,273	6,074,040,232	127,741,370	432,457,022	560,198,392	6,634,238,624
1,656	1,635	1,506	60,502	6,599	5,861	12,460	72,962
161,164	159,071	146,513	1,772,804	146,513	173,722	320,235	2,093,039
162,820	160,706	148,019	1,833,306	153,112	179,583	332,695	2,166,00
332,217,668	334,681,554	34,722,620	6,522,031,917	129,652,810	433,942,706	563,595,516	7,085,627,433
12,863,741	12,957,777	1,325,836	260,928,033	904	708	1,612	260,929,64
				154,656		559,930	
63,485	75,074	50,316	1,494,290	154,656	405,274	559,950	2,054,22
2,485	3,698	64 709	136,498				136,49
85,023	72,976	61,798	819,415				819,41
9 275	0 266	7 64 4	2,069,366	20 474	24 000	70 202	2,069,36
8,375	8,266	7,614	354,371	38,474	31,808	70,282	424,65
6,278	5,201	5,111	426,511	44,441	28,254	72,695	499,20
13,029,387	13,122,992	1,450,675	266,228,484	238,475	466,044	704,519	266,933,003
319,188,281	321,558,562	33,271,945	6,255,803,433	129,414,335	433,476,662	562,890,997	6,818,694,430

Public Employees' Retirement Board

 $A\ Component\ Unit\ of\ the\ State\ of\ Montana$ Statement of Changes in Fiduciary Net Position - Pension Trust Funds for\ the\ year\ ended\ June\ 30,\ 2014

PERS-DCRP

		PERS-DCRP				
	PERS-DBRP	DISABILITY OPEB	JRS	HPORS	SRS	GWPORS
Additions						
Contributions (Note C)						
Employer	\$ 96,184,988	311,307	1,651,483	5,473,577	6,689,311	3,762,217
Plan Member	92,041,676		469,255	1,455,548	6,430,377	4,461,261
Membership Fees	19					
Interest Reserve Buyback	118,372		12,206	2,494	16,802	628
Retirement Incentive Program	61,276					
Miscellaneous Revenue	33,675,313					
State Contributions	886,408			261,930		
Nonvested Member Forfeitures						
Total Contributions	222,968,052	311,307	2,132,944	7,193,549	13,136,490	8,224,106
Investments (Note A6)						
Net Appreciation (Depreciation)						
in Fair Value of Investments	553,236,306		9,526,532	14,038,430	33,023,862	16,520,866
Interest	192,324,675	3,278	3,119,898	4,979,260	9,525,446	3,913,749
Dividends	12,926,748		219,178	329,771	738,003	354,779
Investment Expense	(26,863,258)		(455,790)	(685,330)	(1,534,248)	(737,647)
Net Investment Income	731,624,471	3,278	12,409,818	18,662,131	41,753,063	20,051,747
Securities Lending Income						
Securities Lending Income	1,016,588	4	17,238	25,936	58,046	27,902
Securities Lending Rebate and Fees	(158,504)		(2,688)	(4,044)	(9,051)	(4,351)
Net Securities Lending Income	858,084	4	14,550	21,892	48,995	23,551
Total Net Investment Income	732,482,555	3,282	12,424,368	18,684,023	41,802,058	20,075,298
Total Additions	955,450,607	314,589	14,557,312	25,877,572	54,938,548	28,299,404
Deductions (Note C)						
Benefits	296,183,076	29,461	3,022,512	9,344,441	12,732,103	3,979,269
Refunds/Distributions	10,069,997			83,927	1,184,655	1,187,157
Refunds to Other Plans	286,922			14,639	26,577	63,063
Transfers to DCRP	1,027,622					
Transfers to MUS-RP	173,691					
Supplemental Insurance Payments						
OPEB Expenses	76,894		1,082	919	1,082	1,082
Administrative Expenses	3,704,049		99,002	107,811	201,928	160,098
Miscellaneous Expenses						
Total Deductions	311,522,251	29,461	3,122,596	9,551,737	14,146,345	5,390,669
Net Increase (Decrease)	643,928,356	285,128	11,434,716	16,325,835	40,792,203	22,908,735
Net Position Restricted for Pension Benefits	;					
Beginning of Year	4,301,832,667		72,792,380	109,690,706	243,876,180	115,840,754
Prior Period Adjustment	(85,857)	2,184,488	(2,112)	(4,331)	(10,962)	(4,241)
End of Year	\$ 4,945,675,166	2,469,616	84,224,984	126,012,210	284,657,421	138,745,248

The notes to the financial statements are an integral part of this statement.

		Defined Benef	it Pension Plans Total Defined		Defined (Contribution Plans Total Defined	Total Pension
			Benefit			Contribution	Trust Funds
MPORS	FURS	VFCA	Pension Plans	PERS-DCRP	457 Plan	Plans	2014
6,459,488	5,767,277		126,299,648	4,409,781	80,811	4,490,592	130,790,240
4,124,656	4,691,799		113,674,572	8,534,159	24,255,092	32,789,251	146,463,823
			19				19
8,365	5,534		164,401				164,401
			61,276				61,276
			33,675,313	40,268	191,415	231,683	33,906,996
13,048,938	13,007,210	1,818,237	29,022,723				29,022,723
				251,907		251,907	251,907
23,641,447	23,471,820	1,818,237	302,897,952	13,236,115	24,527,318	37,763,433	340,661,385
34,920,213	35,571,085	3,377,547	700,214,841	15,238,624	26,820,713	42,059,337	742,274,178
11,132,219	10,720,258	1,525,345	237,244,128	3,225,342	9,465,320	12,690,662	249,934,790
798,420	802,784	84,947	16,254,630				16,254,630
(1,659,938)	(1,669,063)	(176,463)	(33,781,737)	(97,085)	(1,120,925)	(1,218,010)	(34,999,747)
45,190,914	45,425,064	4,811,376	919,931,862	18,366,881	35,165,108	53,531,989	973,463,851
62,856	63,198	6,656	1,278,424	2	2	4	1,278,428
(9,801)	(9,854)	(1,038)	(199,331)	2	2	7	(199,331)
53,055	53,344	5,618	1,079,093	2	2	4	1,079,097
45,243,969	45,478,408	4,816,994	921,010,955	18,366,883	35,165,110	53,531,993	974,542,948
68,885,416	68,950,228	6,635,231	1,223,908,907	31,602,998		91,295,426	1,315,204,333
00,000,410	66,930,226	6,633,231	1,223,300,307	31,002,990	59,692,428	91,293,420	1,313,204,333
19,449,550	18,871,929	2,280,876	365,893,217				365,893,217
1,017,920	166,090		13,709,746	4,737,591	24,250,124	28,987,715	42,697,461
60,404	14,111		465,716				465,716
			1,027,622				1,027,622
			173,691				173,691
		13,800	13,800				13,800
970	955	881	83,865	9,580	6,458	16,038	99,903
165,404	152,240	134,805	4,725,337	548,556	399,564	948,120	5,673,457
				173,791	457,987	631,778	631,778
20,694,248	19,205,325	2,430,362	386,092,994	5,469,518	25,114,133	30,583,651	416,676,645
48,191,168	49,744,903	4,204,869	837,815,913	26,133,480	34,578,295	60,711,775	898,527,688
271,009,167	271,825,743	29,067,228	5,415,934,825	105,482,942	398,856,172	504,339,114	5,920,273,939
(12,054)	(12,084)	(152)	2,052,695	(2,202,087)	42,195	(2,159,892)	(107,197)
319,188,281	321,558,562	33,271,945	6,255,803,433	129,414,335	433,476,662	562,890,997	6,818,694,430
0.0,100,201	321,000,002	33,271,343	5,205,005,455	123,717,333	700,770,002	302,030,331	0,010,004,400

Public Employees' Retirement Board

A Component Unit of the State of Montana Notes to the Financial Statements

for the Fiscal Year Ended June 30, 2014

The Public Employees' Retirement Board (PERB) is an independent, seven-member board, appointed by the Governor. The members are assigned five-year, staggered terms. The PERB consists of two members at large, two active defined benefit public employees, one active defined contribution public employee, one member experienced in investments, and one retired public employee. The PERB approves the annual operating budget, developed by the Montana Public Employee Retirement Administration (MPERA) management, before the beginning of the fiscal year. As governed by statute, the PERB's defined benefit administrative expenses may not exceed 1.5 percent of the total defined benefit plan retirement benefits paid. In addition, the PERB decides legislative policy and priorities, hires the executive director, establish the policies and procedures that govern operations at MPERA, and hear and rule on appeal matters of disabilities, retirees, and members. Board members do not receive compensation for their service to MPERA, but are reimbursed for necessary expenses incurred while serving.

The PERB administers eleven retirement plans, and the related member education funds. The retirement plans are nine defined benefit plans and two defined contribution plans. The defined benefit retirement plans are the Public Employees' Retirement System (PERS-DBRP), Public Employees' Retirement System Defined Contribution Disability Other (PERS-DCRP Post-Employment Benefit Disability OPEB), Judges' Retirement System (JRS), Highway Patrol Officers' Retirement System (HPORS), Sheriffs' Retirement System (SRS), Game Wardens' and Peace Officers' Retirement System (GWPORS), Municipal Police Officers' Retirement System (MPORS), Firefighters' Unified Retirement System (FURS), and the Volunteer Firefighters' Compensation Act (VFCA). The defined contribution retirement plans are the Public Employees' Retirement System (PERSDCRP) and the Deferred Compensation (IRC §457) Plan.

The PERS-DCRP was implemented July 1, 2002. All new PERS members, after July 1, 2002, have a 12-month window to file an irrevocable plan choice election. PERS members are provided education regarding their decision to participate in the Defined Benefit Retirement Plan (PERS-DBRP) or the Defined Contribution Retirement Plan (PERS-DCRP). If members are employees of the university system they have a third choice, the Montana University System Retirement Program (MUS-RP). Further education is provided for the members who choose the PERS-DCRP, including information investment choices.

The PERB began administering the Deferred Compensation (457) Plan on July 1, 1999. The Deferred Compensation Plan is available to all employees of the State, the Montana University System and contracting political subdivisions. The MPERA as a state agency, participates as an employer in the PERS-DBRP, PERS-DCRP and the Deferred Compensation Plan.

The assets of each plan are maintained separately, including member education

funds. The assets may be used only for the payment of benefits to the members and administrative expenses of the appropriate plan, in accordance with the terms of each plan as prescribed in Title 19 of the Montana Code Annotated (MCA). The financial statements are presented by combining the PERS-DBRP and the DBRP Education Fund and by combining the PERS-DCRP and the DCRP Education Fund. A presentation of the individual funds is shown at the end of the financial section on pages 126 to 129.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The PERB is a discretely presented component unit Pension Trust Fund of the State of Montana financial reporting entity. The MPERA, staff of the PERB, prepares the accounting records and financial statements for the fiduciary pension trust funds using the accrual basis of accounting. For the pension trust funds, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period in which they are earned and become measurable. Benefits and refunds/distributions are recognized in the accounting period in which they are due and payable. Expenses are recognized in the period incurred. Administrative expenses are financed through investment earnings on the pension trust fund for the defined benefit plans. Interfund receivables and payables exist at year-end for defined benefit administrative expenses that are accounted for within PERS-DBRP and allocated to the other defined benefit plans at year-end. Costs specifically related to the MPERAtiv program are charged directly to the individual plans.

The PERB adheres to Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis — for State and Local Governments; GASB Statement No. 37. Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus; GASB Statement No. 38, Certain Financial Statement Disclosures; GASB Statement No. 40, Deposit and Investment Risk Disclosures: GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans; GASB Statement No. 44, Economic Condition Statistical Reporting: TheGASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets; GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments: GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; GASB Statement No. 65, Items Previously Reported as Assets and Liabilities: and GASB Statement No. 67, Financial Reporting for Pension Plans.

For fiscal year 2014, the PERB has implemented GASB Statement No. 67. Implementation of this Statement addresses accounting and financial requirements for

pension plans. GASB No. 67 requires improvements in financial reporting primarily through enhanced notes to the financial statements, and schedules of required supplementary information. Significant changes include an actuarial calculation of total and net pension liability. It also includes comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment activity disclosures.

The fiscal year 2014 financial statements contain prior period adjustments to the PERS-DBRP for prior years' employer reporting errors where members should have been reported but were not; a restatement by BOI of fiscal year 2013 investment expense for all plans due to the dividend/interest income and other investment expenses being understated as a result of implementation of GASB No. 67; a correction of the accounting and presentation of the PERS-DCRP Disability OPEB as a defined benefit trust fund out of the PERS-DCRP trust fund; and the correction of an error in the State of Montana neglecting to amortize any portion of prior year amounts of OPEB expenses causing an overstatement of each year's expense and liability since the implementation of GASB No. 45 in fiscal vear 2008.

Participants of the PERS-DCRP are usually charged, on a quarterly basis, a flat fee plus a basis point fee based on their individual account balances. In fiscal year 2014, the PERB paid these fees. The record keeper, Great-West Financial (Great-West), withholds payment of Great-West's contractual expenses and the remaining fees are remitted to the PERB to cover the

PERB's plan administrative expenses. The fees remitted to the PERB are recorded as Miscellaneous Revenue in the financial statements

Participants of the Deferred Compensation Plan are usually charged, on a quarterly basis, a flat fee plus a basis point fee based on their individual account balances. In fiscal year 2014, the PERB paid these fees. The record keeper, Great-West, withholds payment of Great-West's contractual expenses and the remaining fees are remitted to the PERB to cover the PERB's administrative expenses of the plan. The fees remitted to the PERB are recorded as Miscellaneous Revenue in the financial statements.

2. CAPITAL ASSETS AND EQUIPMENT USED IN OPERATIONS

Assets under \$5,000 are expensed in the year purchased. Assets (equipment) valued at \$5,000 or more are recorded at cost less straight-line depreciation over the estimated useful life of five to ten years. Assets (other intangibles) valued at \$100,000 or more are recorded at cost less straight-line depreciation over the estimated useful life of five to ten years. Equipment consists of two servers purchased for the data cleansing project which is part of the MPERAtiv program, and a primary file server. Property consists of a remodel to the office space.

The \$2,093,039 intangible asset, reported at cost, consists of the development of the MPERAtiv software. This intangible asset has been accounted for as construction work in progress and will be amortized over 10 years.

MPERA has been working since March 2011 on the four to five year MPERAtiv program. **MPERAtiv** includes implementation of a document imaging system completed in May 2012; a data cleansing project; a new line of business application named Public Employee Retirement Information System (PERIS); and new member, employer, and vendor web portals. During this process, several phases will be implemented to improve operational efficiency, provide better service to our plan members, employers, other customers, and address disaster recovery concerns surrounding our current paper driven processes.

The PERIS application was prompted by members' expectations of web accessed services; the age and limitations of our existing systems that are increasingly difficult to maintain; and recommendations from the State's Information Technology Services Division (SITSD) to move away from the old Integrated Database Management System (IDMS) platform. MPERA's IDMS platforms were put in place in 1985 (retiree), 1993 (active), and 2006 (volunteer fire). The PERIS application will replace the IDMS platforms as well as the Oracle Web Reporting applications implemented in two phases between 2002 (payroll reporting) and 2004 (457).

3. OPERATING LEASE

Operating leases are rental agreements where the payments are chargeable as rent and recorded as administrative expenses. MPERA renegotiated a 7-year lease for office space in November 2013, at the location of 100 North Park Avenue, Helena, MT. The lease is payable monthly and includes inflationary adjustments over

the period of the lease.

4. NET PENSION LIABLITY OF EMPLOYERS

The net pension liability (the retirement systems' liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) as of June 30, 2014, is shown in the Schedule of Employers' Net Pension Liability (NPL) at the top of the next page.

Actuarial valuations of the ongoing systems involve estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. The information used includes, but is not limited to, the plan provisions, employee data, and financial information provided by the PERB. Amounts determined regarding the NPL are subject to revision with each study as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Employers' Net Pension Liability, presented as Required Supplementary Information (RSI) following the notes to the statements, presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the Total Pension Liability (TPL).

The TPL as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2013, and rolled-forward using generally accepted actuarial procedures.

A summary of the actuarial assumptions as of the latest actuarial valuation is shown in the table at the bottom of the next page, as well as in the Notes to the RSI on page 114 and 115.

Employers' Net Pension Liability / (Asset) as of June 30, 2014

(dollar amounts are in thousands)

			Plan Fiduciary		Net Pension Liability /
		Employers'	Net Position		(Asset) as a
Total	Plan	Net Pension	as a % of the		% of Covered
Pension	Fiduciary	Liability /	Total Pension	Covered	Employee
Liability	Net Position ¹	(Asset)	Liability	Payroll	Payroll
(a)	(b)	(a-b)	(b/a)	(c)	((a-b)/c)
\$6,188,781	\$4,942,770	\$1,246,011	79.87%	\$1,129,109	110.35%
51,632	84,223	(32,591)	163.12%	6,355	(512.86)%
183,133	126,010	57,123	68.81%	14,149	403.72%
326,272	284,655	41,617	87.24%	64,673	64.35%
153,864	138,743	15,121	90.17%	41,637	36.32%
476,322	319,186	157,136	67.01%	44,427	353.70%
419,173	321,557	97,617	76.71%	39,892	244.70%
38,359	33,270	5,089	86.73%	N/A ²	N/A ²
	Pension Liability (a) \$6,188,781 51,632 183,133 326,272 153,864 476,322 419,173	Pension Liability (a) Fiduciary Net Position¹ (b) \$6,188,781 \$4,942,770 51,632 84,223 183,133 126,010 326,272 284,655 153,864 138,743 476,322 319,186 419,173 321,557	Total Pension Fiduciary Liability Net Position (a) (b) (a-b) \$6,188,781 \$4,942,770 \$1,246,011 51,632 84,223 (32,591) 183,133 126,010 57,123 326,272 284,655 41,617 153,864 138,743 15,121 476,322 319,186 157,136 419,173 321,557 97,617	Total Pension Liability Plan Fiduciary Net Position¹ Net Pension Liability / (Asset) as a % of the Total Pension Liability \$6,188,781 \$4,942,770 \$1,246,011 79.87% \$1,632 \$4,223 (32,591) 163.12% \$183,133 \$126,010 \$7,123 68.81% \$26,272 \$284,655 \$41,617 \$7.24% \$153,864 \$138,743 \$15,121 \$90.17% \$476,322 \$319,186 \$157,136 67.01% \$419,173 \$321,557 \$97,617 76.71%	Total Pension Liability Plan Fiduciary Net Position (Asset) Employers' Net Pension Liability / (Asset) Net Pension Liability Covered Payroll \$6,188,781 \$4,942,770 \$1,246,011 79.87% \$1,129,109 \$1,632 \$4,223 (32,591) 163.12% 6,355 \$183,133 \$126,010 \$7,123 68.81% 14,149 \$26,272 \$284,655 \$41,617 \$7.24% 64,673 \$153,864 \$138,743 \$15,121 \$90.17% \$41,637 \$476,322 \$319,186 \$157,136 67.01% \$44,427 \$419,173 \$321,557 \$97,617 76.71% \$39,892

The financial statement Plan Fiduciary Net Position is different from the GASB Statement No. 67 reported Plan Fiduciary Net Position. The difference is due to adjustments that occurred after GASB 67 reports were completed for fiscal year ending June 30, 2014. The PERS-DB Education Fund balance is not included in the GASB 67 reporting for fiscal year ending June 30, 2014.

²Covered payroll is not applicable to VFCA because members are unpaid volunteers.

Summary of Actuarial Assumptions

	PERS	JRS	HPORS	SRS	GWPORS	MPORS	FURS	VFCA
Valuation date	6/30/2013	6/30/2013	6/30/2013	6/30/2013	6/30/2013	6/30/2013	6/30/2013	6/30/2013
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level dollar, open
Remaining amortization period	30	30	30	30	30	30	30	20
Amortization growth rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Asset valuation method	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market	4-year smoothed, market
Actuarial assumptions:								
Investment rate of return, net of investment and administrative expenses	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
Projected salary increases:								
General Wage Growth*	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	N/A
Merit	0% - 6%	None	0% - 7.3%	0% - 7.3%	0% - 7.3%	0% - 7.3%	0% - 7.3%	N/A
*Includes inflation at	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Mortality (healthy): RP-20	000 Combined Mor	tality projected to	2015					
Benefit Adjustments								
GABA	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 year	3% after 1 yr or 1.5% if hired on or after July 1, 2013, after 3 years	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 year	3% afer 1 year	N/A
Non-GABA	N/A		2% per yr service, not to exceed 5%, for probationary officer's base pay	N/A	N/A	50% newly con- firmed officer	50% newly con- firmed officer	N/A
1.011 0/115/1	l	position	omeer 5 ouse pay	l .		l		

The long-term expected rate of return on pension plan investments was determined by considering information from various sources, including historical rates of return, rate of return assumptions adopted by similar public sector systems, and by using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of June 30, 2014, are summarized in the table below.

Target Allocatio	ns	
	Townsh Assat	Long-term Expected
Asset Class	Target Asset Allocation	Real Rate of Return
Cash equivalents	2.0%	-0.25%
Domestic equity	36.0%	4.80%
Foreign equity	18.0%	6.05%
Fixed income	24.0%	1.68%
Private equity	12.0%	8.50%
Real estate	8.0%	4.50%

The discount rate used to measure the TPL for all Systems was 7.75% which is the assumed long-term expected rate of return on investments. The projection of cash flows used to determine the discount rate assumed that member, employer, and state contributions will be made at the contribution rates specified in the applicable Montana statutes, which can

only be changed by the Legislature. Based on those assumptions, all the Systems' fiduciary net position was projected to be available to make all the projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

In accordance with GASB 67 regarding the disclosure of the sensitivity of the NPL to changes in the discount rate, the table below presents the NPL of the participating employers as using the discount rate of 7.75%, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00% lower (6.75%) or 1.00% higher (8.75%) than the current rate.

Sensitivity of NPL / (Asset) based on
Changes in Discount Rate

(dollar amounts are in thousands)

System	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%	
PERS-DBRP	\$ 1,982,275	\$ 1,246,011	\$ 625,045	
JRS	(27,643)	(32,591)	(36,877)	
HPORS	82,333	57,123	36,566	
SRS	87,589	41,617	3,676	
GWPORS	38,967	15,121	(4,440)	
MPORS	226,561	157,136	102,023	
FURS	156,824	97,617	49,291	
VFCA	8,860	5,089	1,883	

As can be seen from the above table, changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant

for a relatively small change in the discount rate.

The annual money-weighted rate of return on plan investments expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of the annual money-weighted rate of return for all Systems is presented in the table below and in the RSI on pages 112 and 113.

Annual Money-Weighted Rate of Return as of June 30, 2014					
PERS-DBRP	17.18%				
JRS	17.17%				
HPORS	17.19%				
SRS	17.15%				
GWPORS	17.12%				
MPORS	17.16%				
FURS	17.15%				
VFCA	17.23%				

5. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The State of Montana implemented Standards Governmental Accounting Board (GASB) Statement No. 45. Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions. This statement requires the disclosure of employer liability for retiree medical subsidies and other post-employment benefits. The OPEB liability for MPERA, staff of the PERB, at June 30, 2014 and June 30, 2013 was \$499,205 and \$419,384, respectively. The June 30, 2013 figure is restated due to a correction of an error in not amortizing any portion of prior year amounts of OPEB expenses since the implementation of GASB No. 45 in fiscal year 2008. This error caused an overstatement of each year's expense and liability.

Plan Descriptions: MPERA employees and dependents are eligible to receive health care through the State Group Benefits Plan administered by the Montana Department of Administration. In accordance with section 2-18-704, MCA, the State provides post-employment optional medical, vision, and dental health care benefits to the following employees and dependents who elect to continue coverage and pay administratively established premiums: (1) employees who retire under applicable retirement provisions and their dependents; and (2) surviving dependents of deceased employees. For GASB Statement No. 45 reporting, the State Group Benefits Plan is considered an agent multiple-employer plan and MPERA is considered to be a separate employer participating in the plan.

In addition to the employee benefits, the post-employment following benefits provided. Montana Department of Administration established retiree medical premiums varying between \$299 and \$1,109 per month depending on the medical plan selected, family coverage, and Medicare eligibility. Retirees pay 100% of the premiums for medical, dental, and vision. Administratively established monthly dental premiums vary between \$17.50 and \$60.00; monthly vision premiums vary between \$5.76 and \$16.76; both premiums vary depending on the coverage selected. Basic life insurance in the amount of \$14,000 is provided until age 65 at a cost of \$1.90 per month. The State Benefit Plans reimburse all validated medical claims net of member obligations (annual deductibles and coinsurance of the members' selected medical plan). Dental claims are reimbursed at 50% to 100% of the allowable charges, depending on the services provided. The State acts as secondary payer for retired Medicare-eligible claimants.

Benefits Not Included in the Actuarial Valuation: The dental and vision benefits are fully-insured and retirees pay 100% of the cost for both dental and vision; therefore, no liability for these benefits is calculated in the actuarial valuation. Continuation of the life insurance benefit is not available as an employer-provided group insurance benefit for retirees; therefore, no liability for life insurance is calculated in this valuation.

Funding Policy: The following estimates were prepared based on an actuarial valuation prepared as of the year ending December 31, 2013 for the Department of Administration. The resulting State of Montana Actuarial Valuation of Other Post-Employment Benefits Plan (plan) contains the MPERA data and is available through the address below.

Montana Department of Administration State Accounting Division Room 255, Mitchell Bldg 125 N Roberts St PO Box 200102 Helena, MT 59620-0102

GASB Statement No. 45 requires the plan's participants, including MPERA, to report each year the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC

represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year of retiree health care costs and amortize any unfunded actuarial liablities (or funding excess) over a period not to exceed 30 years. The 2013 ARC is calculated for all the State plan's participants and then allocated to individual participants. MPERA's 2014 allocated portion of the ARC is estimated at \$100,084 and is based on the plan's current ARC rate of 5.69% of participants' annual covered payroll. MPERA's 2014 ARC is equal to an annual amount required each year to fully fund the liability over 30 vears.

Actuarial Methods and Assumptions: Projections of benefts for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liablities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates

are made about the future. The Schedule of Funding Progress for OPEB, presented as RSI following the notes to the statements, presents information concerning actuarial value of plan assets and liabilities. In the January 1, 2013 actuarial valuation date, the projected unit cost funding method is used. The actuarial assumptions did not include an investment rate of return since no assets meet the definition of plan assets under GASB Statements No. 43 or No. 45. Annual healthcare costs trend rates of 10% were used for both medical and prescription claims. These rates decrease by 0.5% per year down to 5.0% at 2023 and beyond for medical and by 1.0% per year down to 5.0% at 2018 and beyond for prescription costs. The unfunded actuarial accrued liability is amortized following a 30-year level percent of pay amortization on an open basis, using a 4.25% discount rate and a 2.50% payroll growth rate assumption.

The State finances claims on a pay-asyou-go basis and does not advance-fund the OPEB liability. While this liability is disclosed for financial statement purposes it does not represent a legal liability of the State of Montana or MPERA. Therefore, the following cost information shows no value for Plan Assets made by MPERA.

Annual Other Post-Employment Benefits (OPEB) Cost: For the fiscal year ended June 30, 2014, MPERA's allocated annual OPEB cost (expense) increased to \$99,906 from \$98,535 in fiscal year 2013. For the fiscal year ending June 30, 2014, the interest on the net OPEB obligation decreased to \$3,719 from \$4,608 in fiscal year 2013. The cost that was allocated to MPERA for the years ended June 30, 2014 and June 30, 2013 was \$99,906 and

\$98,535, respectively. The June 30, 2013 figure is restated due to a correction of an error in not amortizing any portion of prior year amounts of OPEB expenses since the implementation of GASB No. 45 in fiscal year 2008. This error caused an overstatement of each year's expense and liability.

The PERB annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and prior are as follows.

Annual OPEB Cost							
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation				
6/30/2012	97,412	9.35%	345,344				
6/30/2013	98,535	11.99%	419,384				
6/30/2014	99,906	19.12%	499,205				

Figures before 6/30/2014 have been restated due to a change in calculaton of annual OPEB costs, which did not previously include amortization adjustments and contributions.

Net OPEB Obligation	
Annual required contribution	\$ 100,084
Cumulative Interest on Net OPEB	20,388
Less Amortization	20,566
Annual OPEB cost	99,906
Less Contributions Made	20,085
Change in Net OPEB for year	79,821
Restated FY2013 Net OPEB obligation -	
beginning of year	419,384
Net OPEB obligation -	
end of year	\$ 499,205

Funded Status and Funding Progress: The most recent actuarial valuation available was completed by the State of Montana as of January 1, 2013 for the calendar year ending December 31, 2013. This actuarial valuation is completed every two years

with the next valuation to be completed as of January 1, 2015 for the calendar year ending December 31, 2015.

The MPERA allocation of the plan as of the calendar year ending December 31, 2013 was as follows: Actuarial Liability (AL) is \$969,217; Actuarial Value of Plan Assets is \$0; Unfunded Actuarial Liability (UAL) is \$969,127; Funded Ratio (Actuarial Value of Plan Assets/AL) is 0 percent; Covered Payroll (Active Plan Members) is \$1,991,739; and the UAL as a Percentage of Covered Payroll is 48.66%.

Annual OPEB Cost, Percentage of Annual OPEB Cost Contributed, and Net OPEB Obligation for fiscal years prior to 2014 have been restated due to a change in the calculation of the annual OPEB costs, which did not previously include the adjustments for amortization and contributions.

6. METHOD USED TO VALUE INVESTMENTS

According to Article VIII, section 13 of the Montana Constitution and section 19-2-504, MCA, the Board of Investments (BOI) has a fiduciary responsibility for investing the defined benefit retirement plan assets on behalf of the defined benefit plan members. Investments are determined in accordance with the statutorily and constitutionally mandated "prudent expert principle." Pursuant to Article VIII, section 15 of the Montana Constitution and sections 19-2-502 and 19-2-503, MCA, the PERB has a fiduciary responsibility for the administration of the pension trust funds. For the defined benefit pools, the PERB relies on the Investment Policy Statements that are drafted and approved by the BOI with the assistance of RV Kuhns & Associates, Inc., the investment consultant. Investments are reported at fair value. As of June 30, 2014, there were six major diversified pools, Montana Short Term Investment Pool (STIP), Montana Domestic Equity Pool (MDEP), Retirement Funds Bond Pool (RFBP), Montana International Equity Pool (MTIP), Montana Private Equity Pool (MPEP) and Montana Real Estate Investment Pool (MTRP).

The PERS-DCRP and Deferred Compensation Plan's Montana Stable Value Fixed Fund (Fixed Investment) were administered through outside vendors Pacific Investment Management Company (PIMCO), custodial bank State Street Bank Kansas City (SSKC), and a third-party insurer, Transamerica. All money invested in the Montana Stable Value Fixed Fund investment of the PERS-DCRP and Deferred Compensation Plan are in a Pooled Trust.

For both the PERS-DCRP and Deferred Compensation plan the third party record keeper, Great-West Financial, tracks and reports the daily trading and valuations of all investment options including the assets held by the individual mutual fund companies.

In addition to the laws cited previously, the PERS-DCRP investments are also governed by section 19-3-2122, MCA and the Deferred Compensation Plan investments are governed by section 19-50-102, MCA.

There are separate investment policy statements for the PERS-DCRP and Deferred Compensation plans. The

investment policies are reviewed by the PERB on an annual basis and the investment options are reviewed quarterly by an independent third party consultant and investment analyst. In the review, each investment alternative is compared to its peers and the appropriate benchmark. In addition, each investment alternative is reviewed for other indicators including. but not limited to: style drift, duplication, and fund manager or other organizational changes. Investment alternatives that are determined to have a sub-standard performance rating or other negative indicators may be recommended for probation or termination. During the reviews, the PERB may decide to retain, replace or place in a probation status any of the offered mutual funds. Investments are reported at fair value as of June 30, 2014.

The following are the summaries of the BOI's fiscal year-end statements, the Stable Value Group Trust contracts and a statement about the variable investments. The BOI fiscal year statements and information on the income can be obtained by contacting BOI at the following address:

Montana Department of Commerce Board of Investments 2401 Colonial Drive, 3rd Floor PO Box 200126 Helena, MT 59620-0126.

STIP portfolio may include asset-backed securities, commercial paper, corporate and U.S. Government direct obligations, U.S. Government agency securities, repurchase agreements, institutional money market funds, certificates of deposit and variable-rate (floating rate) instruments. The purpose of STIP is the preservation of

principal, while obtaining money market type returns and 24-hour liquidity. The BOI manages the STIP consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. In meeting certain conditions, STIP, as a 2a7-like pool, is allowed to use an amortized cost rather than fair value to report net assets to compute unit values. The portfolio is carried at amortized cost or book value with a constant unit value of \$1.00. State agencies with accounts that retain interest earnings are legally required to invest in STIP and the PERB elects to have all STIP income automatically reinvested. For fiscal year 2014, income was distributed on the first calendar day of each month. Credit Risk is the risk that the issuer of a STIP security may default in making timely principal and interest payments. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The total investments credit quality rating for STIP is not rated (NR). The PERB portion of STIP is \$134.7 million or 5.36%.

At June 30, 2014, the STIP balance included Structure Investment Vehicles (SIVs) that were no longer liquid. This STIP Reserve account was established in November 2007. Income is distributed to STIP participants based on accrued interest and discount amortization. The accrued income and interest in this account is used as part of any incidental direct expenses incurred as a part of any SIV restructuring activity and to offset any potential principal loss on these securities in the future.

MDEP may include common stock, equity index shares, preferred stock, convertible equity securities, American Depositary

Receipts (ADR's), equity derivatives and commingled funds. The MDEP portfolio is limited to domestic stock or ADR investments. ADR investments are receipts issued by a U.S. depositary bank representing shares of a foreign stock or bonds held abroad by the foreign subcustodian of the American depositary bank. For *Custodial Credit Risk* as of June 30, 2014, all the MDEP securities were registered in the nominee name for the BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of MDEP is \$2.4 billion or 63.17%.

RFBP portfolio includes corporate, sovereign, and foreign government bonds; U.S. Government direct obligations and U.S. Government agency securities; and cash equivalents. U.S. Government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. Government. U.S. Government agency securities include U.S. Government agency and mortgage-backed securities. U.S. Government mortgage-backed securities reflect participation in a pool of residential mortgages. The real estate buildings and pension residental mortgages are included in the RFBP portfolio. For Custodial Credit Risk as of June 30, 2014, all investments were registered in the name of the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. There is no Concentration of Credit Risk for the PERB. Credit Risk is that the issuer of a fixed income security may default in making timely principal and interest payments. With the exception of the U.S. Government securities, the RFBP fixed income instruments have credit risk as measured by major credit rating services. Obligations of the U.S. Government or

obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The total fixed income investments' credit quality rating for RFBP is not rated (NR). For Interest Rate Risk as of June 30, 2014, in accordance with GASB Statement No. 40, the BOI has selected the effective duration method to disclose interest rate risk. The total effective duration for RFBP's fixed income investments, as of June 30, 2014, is 5.07. The PERB portion of the entire RFBP is \$1.3 billion or 63.18%. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The RFBP includes securities subject to foreign currency risk. The PERB portion of the foreign currency risk is \$590.2 thousand or 50.19%.

MTIP may include common stock, equity index shares, preferred stock, convertible equity securities, American Depositary Receipts (ADR's), equity derivatives, and commingled funds. ADR investments are receipts issued by a U.S. depositary bank representing shares of a foreign stock or bonds held abroad by the foreign subcustodian of the American depositary bank. The MTIP portfolio includes holdings of securities of foreign-based corporations listed on legal and recognized foreign exchanges as well as domestic exchanges. The MTIP portfolio invests in both developed and emerging markets. For Custodial Credit Risk as of June 30, 2014, all MTIP securities were registered in the nominee name for the BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of the entire MTIP is \$1.1 billion or 63.19%. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MTIP includes securities subject to foreign currency risk. The PERB portion of the foreign currency risk is \$590.3 thousand or 50.20%.

MPEP portfolio may include venture capital, leveraged buyout, mezzanine, distressed debt, special situation, and secondary investments. These investments are made via Limited Partnership Agreements in which the BOI and other institutional investors invest as Limited Partners in funds managed by a General Partner. These investments are riskier with higher potential return than public equity investments and are less liquid because the funds are usually committed for at least ten years. Realized capital gains are not distributed unless the gains are needed to pay management fees. Income due participants is distributed monthly on the first calendar day of each month. For Custodial Credit Risk as of June 30, 2014, all MPEP investments were recorded in the name of the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of the entire MPEP is \$651.8 million or 63.21%. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MPEP includes securities subject to foreign currency risk. The PERB portion of the foreign currency risk is \$13.1 million or 50.19%.

MTRP portfolio includes investments in private core, value-added, and opportunistic real estate. Core investments are the least risky with the lowest return and are usually managed in commingled accounts in which the investor purchases

shares. Value-added and opportunistic real estate investments provide more risk and return and are less liquid than core investments. These investments are usually made through Limited Partnership Agreements. The MTRP invests its cash in STIP. Realized capital gains are not distributed unless the gains are needed to pay management fees. Income due participants is distributed monthly on the first calendar day of each month. Real estate investments held, in part, for PERS include a building at 100 North Park Avenue in Helena, MT; a building at 2273 Boot Hill Court in Bozeman, MT; a building at 2401 Colonial Drive in Helena. MT; and property located on California Street in Helena, MT. The BOI also holds the building located at 1712 Ninth Avenue in Helena, MT. For Custodial Credit Risk as of June 30, 2014, all MTRP investments were recorded in the name of the Montana BOI and held in the possession of the BOI's custodial bank, State Street Bank. The PERB portion of the entire MTRP is \$536.9 million or 63.19%. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The MTRP includes securities subject to foreign currency risk. The PERB portion of the foreign currency risk is \$9.6 million or 50.19%.

Securities Lending Collateral, governed under the provisions of state statutes, BOI authorized the custodial bank, State Street Bank, to lend the BOI's securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is required to maintain collateral equal to 102 percent of the fair value of domestic securities and

105 percent of the fair value of international securities while the securities are on loan. The BOI and the custodial bank split the earnings, 80/20% respectively, on security lending activities. The securities lending collateral, securities lending collateral liability, securities lending income, and securities lending expense consist of allocations to PERB on a pro rate basis of its ownership share of each pool with securities lending activity. On any day including June 30th, the markets may move in a positive or negative direction resulting in under or over collateralization. The Bank compensates for market movement by recalculating on the following business day to meet the collateralization requirements. The private equity and real estate pools do not participate in securities lending.

Montana Stable Value Fixed Fund (Fixed Investment): The Montana Stable Value Fixed Fund option of the PERS-DCRP and the Deferred Compensation Plan, are administered through outside vendors Pacific Investment Management Company (PIMCO), custodial bank, State Street Bank Kansas City (SSKC), and a third-party insurer, Transamerica. When participants invest in the Montana Stable Value Fixed Fund option they are guaranteed a fixed rate of return. The Montana Stable Value Fixed Fund employs a synthetic stable value strategy where the investment manager, PIMCO, manages a diversified bond portfolio and a third party insurer, Transamerica, guarantees the participants' principal investments and earnings. Transamerica calculates a rate of return each quarter called the "crediting rate", which helps smooth participants' earnings over time. From July 1, 2013 through September 30,

2013, the crediting rate was used to credit earnings to participant accounts. Effective October 1, 2013, the fund's structure was changed to incorporate a money market-like liquidity strategy and calculate member investments based on a Net Asset Value (NAV).

Transamerica sets a fixed quarterly rate of return based on the investment manager's portfolio market value yield and duration.

All money invested in the Montana Stable Value Fixed Fund of the PERS-DCRP and Deferred Compensation Plan are invested in the Pooled Trust. The Pooled Trust qualifies as a group trust under sections 401(a), including section 401(a)(24) and 501(a), of the IRC of 1986, as amended. Under the Pooled Trust agreement Transamerica provides a guarantee of principal and sets a fixed quarterly crediting rate. The Pooled Trust assets are invested by PIMCO and are held under a custodial agreement with SSKC. The Pooled Trust assets are invested by PIMCO based on an investment guideline schedule as agreed upon in the Pooled Trust Contract and approved by the PERB, PIMCO, and any third party insurers, such as Transamerica. Concentration of Credit Risk is addressed in the investment policy statement of the Montana Stable Value Fixed Fund.

Variable Investments for the PERS-DCRP and Deferred Compensation Plan are held and managed in a selection of retail and institutional mutual funds, which cover all standard asset classes and categories. The selection of offered mutual funds is designed to provide participants with the ability to diversify investments and meet their individual investment goals and strategies. With advice from

an independent investment analyst and assistance from the statutorily-created Employee Investment Advisory Council (EIAC), the PERB conducts annual reviews of the offered mutual funds. The goal of the reviews is to ensure that the offered mutual funds meet standards established in the Investment Policy Statements adopted by the PERB. Each investment alternative is compared to its peers and an appropriate benchmark. In addition, each investment alternative is reviewed for other indicators including, but not limited to: style drift, duplication, and fund manager or other organizational changes. Investment alternatives that are determined to have a sub-standard performance rating or other negative indicators may be recommended for probation or termination. During the reviews the PERB may decide to retain, replace or place in a probation status any of the offered mutual funds. Concentration of Credit Risk is not addressed in the investment policy and investments in mutual funds are not required to be disclosed.

Investments are reported at fair value as of June 30, 2014. Available funds in the PERS-DCRP and Deferred Compensation Plan are listed on pages 93 to 94 and 97, respectively. A current listing may also be obtained by contacting MPERA.

B. LITIGATION

Each of the plans administered by the PERB may be involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management and legal counsel, the disposition of those matters should not have a material, adverse affect on any plan's financial position as a whole.

Center for Mental Health (Baker) has been resolved and MPERA's liability was covered through the Montana Department of Administration's Risk Management and Tort Defense Division. The Wrzesien case could impact PERS' financial position as a whole but management and legal counsel believe it only reasonably possible, at the most, that claimants will prevail. Finally, even if the claimants prevail in the AMRPE lawsuit, the guaranteed annual benefit adjustment will remain at 3% for PERS members hired prior to July 1, 2007 and 1.5% for PERS members hired thereafter. These are the same GABA rates currently paid to PERS retirees and reflected in PERS' actuarial valuation.

Center for Mental Health. The legislature amended § 19-3-108(3), MCA in 1999 requiring PERS to exclude participation by certain employees hired by regional mental health centers on or after July 1, 1999 from PERS participation. The Center for Mental Health (CMH) continued to improperly report employees as PERS members until 2009 when MPERA discovered these errors. MPERA subsequently returned the incorrectly paid contributions to the employees and the employer, and corrected retirement benefits. The impacted employees hired legal counsel, Joseph Cosgrove of Hoyt and Blewett in Great Falls, to represent them. Cosgrove filed an administrative claim with Risk Management and Tort Defense (RMTD). A complaint was filed against CMH, MPERA and the State on September 13, 2011 and served on the Office of the Attorney General on October 4, 2011. The complaint alleged that MPERA and the State negligently breached their duties to administer and manage PERS. Plaintiffs sought damages for past and future economic damages, emotional distress, costs and disbursements. RMTD and Maxon Davis, Esq., Davis, Hatley, Haffeman & Tighe, P.C., also of Great Falls, defended the State and MPERA. Following discovery and mediation proceedings, the matter was settled between the parties on January 28, 2014. MPERA's portion of the settlement was \$700,000 and was paid through the state's self-insurance reserve fund, not the PERS trust fund. The premium RMTD charges MPERA likely increased. However, the settlement had no material, adverse effect on PERS' financial position as a whole.

Wrzesien v. State. Three members of PERS who elected to participate in either the PERS Defined Contribution Retirement Plan or the University System's Optional Retirement Program (now known as the Montana University System Retirement Program (MUS-RP)) have sued the State of Montana and MPERA over the PERS plan choice rate. The complaint alleges equal protection and due process violations, and requests issuance of a declaratory judgment granting plaintiffs the employer contributions paid toward the plan choice rate. Class action certification is also requested. The plaintiffs are represented by Travis Dye of Kalkstein, Johnson & Dye in Missoula, Montana. The State and MPERA are represented by J. Stuart Segrest and Michael G. Black of the Montana Attorney General's Office. The complaint was subsequently amended to include the 1% in employer contributions for DCRP plan members that, pursuant to HB 454 (2013), go to the PERS defined benefit retirement plan starting July 1, 2013. In the event plaintiffs prevail, and class action certification is granted, over 3,000 PERS DCRP and MUS-RP participants will be

paid the contributions previously directed to the plan choice rate. At June 30, 2014, MPERA calculated the contributions from the MUS-RP Plan Choice at \$5,083,250 and the contributions from the DCRP Plan Choice at \$21,005,539.

Association of Montana Retired Public Employees (AMRPE) v. State. Four Public Employees' Retirement System (PERS) retired members and their retiree association (AMRPE) have sued the State of Montana, MPERA, the PERB and Governor Bullock over the reduction of the PERS guaranteed annual benefit adjustment (GABA) enacted by the 2013 Montana Legislature through HB 454. Plaintiffs are represented by Leo Berry, Chad E. Adams and Jessie L. Luther from Browning, Kaleczyc, Berry & Hoven P.C., in Helena, MT. The State, MPERA, PERB and Governor Bullock are represented by J. Stuart Segrest and Michael G. Black of the Montana Attorney General's Office. In November 2014, MPERA's actuary determined that if plaintiffs prevail and the GABA remains at 3%, PERS' funding ratio would be 74.4% as opposed to 83.9% should plaintiffs be unsuccessful. Similarly, if Plaintiffs prevail, PERS would amortize over 29.3 years as opposed to 10.5 years under HB 454 (2013). Plaintiffs moved for and, following briefing and oral argument, received a Preliminary Injunction blocking implementation of the GABA decrease pending resolution of the underlying lawsuit. Following discovery, both parties moved for summary judgment. The motions have been fully briefed and a hearing on the cross-motions for summary judgment is set for January 13, 2015.

C. PLAN MEMBERSHIP, DESCRIPTIONS AND CONTRIBUTION INFORMATION

The plans are established and amended statutorily by the Legislature. defined benefit plans all (except VFCA), if a member leaves covered employment before retirement, the member contributions plus accrued interest (accumulated contributions) may be refunded to the member. If a member returns to service and repays the withdrawn accumulated contributions plus the interest the accumulated contributions would have earned had they remained on deposit, membership service is restored. Membership in each plan as of June 30, 2014 and June 30, 2013 is detailed in the following charts.

PERS-DBRP Membership								
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>			
Number of participating employers	541	540						
Active plan members	28,229	28,401	Retirees and beneficiaries receiving benefits					
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	19,473	18,868			
Vested	2,825	2,686	Disability Retirements	193	185			
Non-vested	7,666	6,712	Survivor Benefits	415	398			
	10,491	9,398		20,081	19,451			

JRS Membership							
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>		
Number of participating employers	1	1					
Active plan members	55	54	Retirees and beneficiaries receiving benefits				
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	64	62		
Vested	1	-	Disability Retirements	-	-		
Non-vested	-	-	Survivor Benefits	3	3		
	1	-		67	65		

HPORS Membership						
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
Number of participating employers	1	1				
Active plan members	229	219	Retirees and beneficiaries receiving benefits			
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	299	285	
Vested	11	14	Disability Retirements	8	9	
Non-vested	14	11	Survivor Benefits	15	16	
	25	25		322	310	

SRS Membership						
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
Number of participating employers	57	57				
Active plan members	1,307	1,276	Retirees and beneficiaries receiving benefits			
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	478	447	
Vested	73	67	Disability Retirements	35	36	
Non-vested	288	235	Survivor Benefits	20	20	
	361	302		533	503	

GWPORS Membership							
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>		
Number of participating employers	7	7					
Active plan members	955	971	Retirees and beneficiaries receiving benefits				
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	193	170		
Vested	87	69	Disability Retirements	2	2		
Non-vested	175	148	Survivor Benefits	8	8		
	262	217		203	180		

FINANCIAL SECTION

MPORS Membership						
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
Number of participating employers	32	31				
Active plan members	743	734	Retirees and beneficiaries receiving benefits			
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	666	661	
Vested	55	52	Disability Retirements	21	20	
Non-vested	90	77	Survivor Benefits	29	29	
_	145	129		716	710	

FURS Membership							
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>		
Number of participating employers	25	25					
Active plan members	616	610	Retirees and beneficiaries receiving benefits				
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	565	558		
Vested	19	15	Disability Retirements	10	8		
Non-vested	66	63	Survivor Benefits	20	21		
	85	78		595	587		

VFCA Membership						
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>	
Number of participating employers	217	217				
Active plan members	1,935	2,101	Retirees and beneficiaries receiving benefits			
Terminated plan members entitled to but not yet receiving benefits or a refund			Service Retirements	1,332	1,285	
Vested	939	884	Disability Retirements	-	-	
			Survivor Benefits		-	
				1,332	1,285	

PERS-DCRP Membership					
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
Number of participating employers	264	263			
Active plan members	2,188	2,087	Retirees and beneficiaries receiving benefits		
Terminated plan members entitled to but not yet receiving benefits or a refund			Periodic Distributions	18	14
Vested	252	207	Disability Retirements	4	4
Non-vested	474	434	Survivor Benefits	7	2
	726	641		29	20

Deferred Compensation (457) Membership					
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
Number of participating employers	36*	31*	Number of participating plan members	8,519	8,215
Number of participating employers that provide contributions on members' behalf	6	4	Number of participating plan members that are actively contributing to their deferred compensation accounts	4,699	4,514
*All State agencies are counted as one employer.					

Public Employees' Retirement System-DBRP (PERS-DBRP)

Plan Description: The PERS-Defined Benefit Retirement Plan (DBRP) is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined benefit and defined contribution retirement plans. All new members from the universities also have

a third option to join the university system's Montana University System Retirement Program (MUS-RP). For members that choose to join the PERS-DCRP or the MUS-RP, a percentage of the employer contribution will be used to pay down the liability of the PERS-DBRP.

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

PERS-DBRP Summary of Benefits

Member's highest average compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months; Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months;

Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a member's highest average compensation.

Eligibility for benefit

Service retirement:

Hired prior to July 1, 2011: Age 60, 5 years of membership service;

Age 65, regardless of membership service; or Any age, 30 years of membership service.

Hired on or after July 1, 2011: Age 65, 5 years of membership service;

Age 70, regardless of membership service.

Early retirement, actuarially reduced:

Hired prior to July 1, 2011: Age 50, 5 years of membership service; or

Any age, 25 years of membership service.

Hired on or after July 1, 2011: Age 55, 5 years of membership service.

PERS-DBRP Summary of Benefits (continued)

Vesting 5 years of membership service

Monthly benefit formula

Members hired prior to July 1, 2011:

Less than 25 years of membership service: 1.785% of HAC per year of service credit; 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

Less than 10 years of membership service: 1.5% of HAC per year of service credit; 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;

30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)*

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007 (discontinued effective July 1, 2013)
- 1.5% for members hired on or after July 1, 2007 (discontinued effective July 1, 2013)

GABA revision for all members

Effective July 1, 2013, includes all active, inactive, and retired members.

- Maximum rate for GABA is 1.5%; minimum rate for GABA is 0%
- The 1.5% GABA is reduced 0.1% for each 2% PERS is funded below 90%
- GABA is 0% whenever PERS amortization period is 40 years or more.

At June 30, 2014 PERS had 541 participating employers, one more than fiscal year 2013. The participating employers consist of:

PERS-DBRP EMPLOYERS					
<u>Employers</u>	June 30, 2014	June 30, 2013			
State Agencies	34	34			
Counties	55	55			
Cities and Towns	98	99			
Colleges and Universities	5	5			
School Districts	232	231			
High Schools	6	6			
Other Agencies	<u>111</u>	<u>110</u>			
Total	541	540			

^{*} At this time as a result of preliminary injunction issued in the AMRPE vs State litigation, the GABA benefit in effect is being used in the calculation until the litigation is resolved.

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 was 7.9% of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a request for retirement or refund is processed.

The 7.9% member contributions is temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates. There will be no change to the member contributions on January 1, 2015 due to the amortization period being 29.3 years at June 30, 2014, based on the 3% GABA rate.

Each state agency and university system employer contributed 8.17% of PERS-covered payroll during fiscal year 2014. Participating local governments contributed 8.07% of PERS-covered payroll during fiscal year 2014. The State contributed the remaining 0.1% for local governments. Participating school districts contributed 7.8% of PERS-covered payroll during fiscal year 2014. The state contributed the remaining 0.37%. A percentage of the employers' contributions is used to fund the employee education program.

Following the 2013 Legislative Session, PERS employer contributions temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions

including the 0.27% added in 2007 and 2009, terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and member contribution rates. On January 1, 2015, the additional contributions will not be terminated. (Reference Schedule of Contribution Rates on page 99).

Effective July 1, 2013, PERS-DBRP received other contributions including 1% of DCRP and MUS-RP employer contributions for participants, additional Plan Choice Rate contributions, and additional contributions from the coal severance tax fund and interest income from the coal severance tax permanent fund. The coal severance taxes collected are credited to the general fund of the State of Montana and are statutorily appropriated on July 1 each year to the trust fund for the PERS-DBRP. The coal tax is transferred quarterly and the interest income is credited monthly. The amount received for fiscal year 2014 was \$33.7 million. They are recorded as Miscellaneous Revenue in the financial statements

Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

PERS-DBRP Active Membership					
by Employer Type					
Employer Type	6/30/2014	6/30/2013			
State Agencies	10,734	10,729			
Counties	5,299	5,290			
Cities	3,223	3,277			
Universities	2,628	2,658			
High Schools	60	62			
School Districts	5,151	5,209			
Other Agencies	1,134	1,176			
Total	28,229	28,401			

Plan Membership Elections: MPERA has included in the financial statements transfers of \$1,027,622 in Transfers to DCRP and \$173,691 in Transfers to MUS-RP These transfers reflect the DCRP and MUS-RP contributions of participants that filed elections at or near the June 30 cutoff date. The contributions were transferred in early fiscal year 2015.

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated due to a reduction in force, to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarially required rate of return as established by the PERB on the unpaid balance. The employees participating under section 19-2-706, MCA increased from 221 in fiscal year 2013 to 223 in fiscal year 2014. The contributions received (including interest) during fiscal year 2014 totaled \$63,671. The outstanding balance at June 30, 2014, totaled \$20,714.

Public Employees' Retirement System-DBRP Education Fund: Education is provided to all members of the PERS regardless of plan choice as governed by section 19-3-112, MCA. The education must be presented with impartial and balanced information about plan choices, investments and retirement planning.

The education program consists of ongoing transfer education for new members and investment/retirement planning education for all active members.

The education program was funded by 0.04% of PERS-covered payroll in fiscal year 2014.

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provisions are the same as were described in the June 30, 2013 Actuarial Valuation Report for PERS-DBRP, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.27% of active member payroll.

The discount rate as of June 30, 2014 is 7.75% which is the assumed long-term expected rate of return on PERS-DBRP investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same actuarial valuation, there are no differences between expected and actual experience reported

this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$357.4 million. The NPL remaining as of June 30, 2014 is \$1.2 billion.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$6.2 billion. A 1.00% decrease in the discount rate increases the TPL to \$6.9 billion (11.9%) and increases the NPL to \$2.0 billion (59.1%). A 1.00% increase in the discount rate decreases the TPL to \$5.6 billion (10.0%) and decreases the NPL to \$5.6 billion (10.0%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the statutory contribution rates are sufficient to amortize the unfunded actuarial liability.

With the enactment of HB 454 during the 2013 Legislative Session and the changes resulting from the preliminary injunction issued December 2013 regarding the GABA provision, there were two valuations performed for both fiscal year 2013 and fiscal year 2014.

HB 454 lowered the GABA rate for all members including retirees to a maximum of 1.5%. As a result, the fiscal year 2013 valuation was performed using a 1.5% GABA. The

preliminary injunction restored the GABA rate to 3% for members hired prior to July 1, 2007 and 1.5% for members hired on or after July 1, 2007 until the lawsuit is settled, therefore, the fiscal year 2014 valuation was performed using the 3% GABA. Each year a supplemental valuation was performed for the other GABA rate, with the 2013 supplemental using the 3% GABA and the 2014 supplemental using the 1.5% GABA.

When comparing the valuations on June 30, 2014 and June 30, 2013 the years to amortize the unfunded actuarial liability are 29.3 years (3% GABA) and 14.5 years (1.5% GABA), respectively. When comparing the supplemental valuations on June 30, 2014 and June 30, 2013 the years to amortize the unfunded actuarial liability are 10.5 years (1.5% GABA) and 43.7 years (3% GABA), respectively.

Under the provisions of HB 454, the additional member and employer contributions, effective July 1, 2013, will remain in effect on January 1, 2015.

During the fiscal year ended June 30, 2014, the PERS assets gained 17.12% on a market value basis. However, due to the assetsmoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 13.21%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$224 million.

Public Employees' Retirement System-DCRP Disability OPEB (DC Disability OPEB)

Plan Description: For GASB Statement No. 43, Financial Reporting by Employers for Post-Employment Benefits Other Than Pension Plans reporting, the DC Disability OPEB is considered a cost-sharing multiple-employer plan that provides an other post-employment defined benefit for the PERS-DCRP members

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the

defined benefit and defined contribution retirement plans. The PERS-DCRP provides disability to eligible members who elect the PERS-DCRP.

The DC Disability OPEB Trust Fund was established on July 1, 2002, and is governed by section 19-3-2141, MCA. Benefits of this long-term disability plan are established by state law and can only be amended by the Legislature. This benefit is based on eligibility, years of service, and compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

PERS-DCRP Disability OPEB Summary of Benefits

Member's highest average compensation (HAC)

Hired prior to July 1, 2011 - HAC during the highest 36 consecutive months. Hired on or after July 1, 2011 - HAC during the highest 60 consecutive months.

Eligibility for benefit

Age 65, 5 years of membership service; Any age with 5 years of membership service.

Vesting 5 years of membership service

Monthly benefit formula

Members hired prior to July 1, 2011:

Less than 25 years of membership service: 1.785% of HAC per year of service credit; 25 years of membership service or more: 2% of HAC per year of service credit. Benefit is payable to later of age 65 for disabilities occurring prior to age 60, or five years for disabilities occurring after age 65.

Members hired on or after July 1, 2011:

Less than 10 years of membership service: 1.5% of HAC per year of service credit; 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;

30 years or more of membership service: 2% of HAC per year of service credit. Benefit is payable to age 70 for disabilities occurring prior to age 65, or five years for disabilities occurring after age 65.

PERS-DCRP Disability OPEB Summary of Benefits (continued)

Members cannot receive distributions from their individual defined contribution account while receiving payments from the DC Disability OPEB Trust Fund. Participants may choose to receive a distribution from their individual account instead of applying for or receiving a disability benefit.

Contributions: Under section 19-3-2117, MCA the employers are the only contributors to the DC Disability OPEB. The employer contribution rate is 0.30% of a member's compensation, which is allocated to the long-term disability plan trust fund to provide disability benefits to eligible members. (Reference Schedule of Contribution Rates on page 99).

As of June 30, 2014, there are four members taking advantage of the disability plan, the same as of June 30, 2013.

Below is a table with the active membership by employer type as of June 30, 2013. This data was used in the June 30, 2013 actuarial valuation of the DC Disability OPEB.

PERS-DCRP Active Membership by Employer Type		
Employer Type	6/30/2013	
State Agencies	957	
Counties	332	
Cities	274	
Universities	123	
High Schools	3	
School Districts	237	
Other Agencies	161	
Total	2,087	

Funding Policy: The following estimates were prepared based on an actuarial valuation as of June 30, 2013. This is the first valuation performed on this plan.

GASB Statement No. 43 requires the PERB to report each year the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The present statutory contribution rates are not sufficient to amortize the unfunded liability. Thus the plan does not amortize within 30 years.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and includes the type of benefits provided at the time of each valuation and the historical pattern of costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liablities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Given insufficient DCRP member experience, the

actuarial assumptions used were based on those used for the PERS-DBRP members, except for the assumed investment return. Since the assets are invested entirely in short-term fixed income securities, the assumed rate of return of 3.50% was used. This assumed rate of return is 0.50% in excess of the assumed rate of inflation.

In the June 30, 2013 actuarial valuation, the entry age normal funding method is used. The unfunded actuarial liability is amortized using an open 30-year period, level percent of pay, an investment rate of return of 3.50%, and general wage growth of 4.00% which includes inflation at 3.00% and merit salary increases of 0.00% to 6.00%.

Funded Status and Funding Progress: The Schedule of Funding Progress for DC Disability OPEB, presented as RSI following the notes to the statements, presents information concerning the actuarial value of plan assets and liabilities. The most recent actuarial valuation available was completed by Cheiron, the PERB's actuary, as of June 30, 2013 for the fiscal year ending June 30, 2013. This actuarial valuation is completed every two years with the next valuation to be completed as of June 30, 2015 for fiscal year ending June 30, 2015.

The allocation of the DC Disability OPEB as of the fiscal year ending June 30, 2013

was as follows: Actuarial Liability (AL) is \$2,715,033; Actuarial Value of Assets is \$2,184,488; Unfunded Actuarial Liability (UAL) is \$530,545; Funded Ratio (Actuarial Value of Assets/AL) is 80.5%; Covered Payroll (Active Plan Members) is \$90,450,420; and the UAL as a Percentage of Covered Payroll is 1%.

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2013, the most recent actuarial valuation, the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability. During the year ended June 30, 2013, the DC Disability OPEB assets gained 0.25% on a market value basis. This return was below the assumed rate of return of 3.50%. Because this is the first valuation for DC Disability OPEB, the actuarial value of assets is set equal to the market value of assets. As of the June 30, 2013 Actuarial Valuation, the DC Disability OPEB unfunded actuarial liability was \$0.5 million and the funded ratio was 80.5%.

GASB Statement No. 67 Reporting does not pertain to the disability benefit plan trust fund.

Judges' Retirement System (JRS)

Plan Description: The JRS is a single-employer defined benefit plan established in 1967, and governed by Title 19, chapters 2 & 5 of the MCA. This system provides benefits for all Montana judges of the district courts, justices of the Supreme Court, the Chief Water Judge and the Associate Water Judge. Benefits are established by state law and can only be

amended by the Legislature. The JRS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

JRS Summary of Benefits

Member's current salary¹ or highest average compensation (HAC)²

¹Hired prior to July 1, 1997 and non-GABA - monthly compensation at time of retirement; ²Hired on or after July 1, 1997 or electing GABA - HAC during any consecutive 36 months. Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a members' highest average compensation.

Eligibility for benefit

Age 60, 5 years of membership service;

Any age with 5 years of membership service - involuntary termination, actuarially reduced.

Vesting 5 years of membership service

Monthly benefit formula

3-1/3% of current salary¹ (non-GABA) or HAC² (GABA) per year of service credit for the first 15 years of service credit, plus 1.785% per year for each year after 15 years.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Minimum benefit adjustment (non-GABA)

If hired prior to July 1, 1997 and member did not elect GABA - current salary of an active member in same position is used in the calculation of the monthly benefit each time the Legislature increases salaries for active judges.

At June 30, 2014 JRS had one participating employer, the same as fiscal year 2013. The participating employer consists of:

JRS EMPLOYERS			
Employer	June 30, 2014	<u>June 30, 2013</u>	
State Agency - Supreme Court 1 1			
Total	1	1	

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 was 7.0% of the member's monthly compensation. Contributions are deducted from each member's salary and remitted by

the participating employer. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

As the employer, the State contributed 25.81% of the total JRS-covered payroll to

the retirement plan during fiscal year 2014. (Reference Schedule of Contribution Rates on page 99).

JRS Active Membership by Employee Type		
Employee Type	6/30/2014	6/30/2013
GABA	48	39
Non-GABA	7	15
Total	55	54

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provisions are the same as were described in the June 30, 2013 Actuarial Valuation Report for JRS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.15% of active member payroll.

The discount rate as of June 30, 2014 is 7.75% which is the assumed long-term expected rate of return on JRS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same actuarial valuation, there are no differences between expected and actual experience reported this year. Since the JRS Fiduciary Net Position is greater than the JRS TPL the result is a Net Pension Asset (NPA) and not a NPL. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Asset (NPA) of \$9.0 million. The NPA remaining as of June 30, 2014 is \$32.6 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL or NPA can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$51.6 million. A 1.00% decrease in the discount rate increases the TPL to \$56.6 million (9.6%) and decreases the NPA to \$27.6 million (15.2%). A 1.00% increase in the discount rate decreases the TPL to \$47.3 million (8.3%) and increases the NPA to \$36.9 million (13.1%).

Actuarial status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the statutory contribution rates are sufficient to amortize the unfunded actuarial liability. During the fiscal year ended June 30, 2014, the JRS' assets gained 17.03% on a market value basis. However, due to the asset-smoothing technique which recognizes only a portion

of the gains and losses, the return on the actuarial asset value continues to reflect prior year investment gains and losses resulting in a return of 12.92%. This return was above the

assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$3.6 million.

Highway Patrol Officers' Retirement System (HPORS)

Plan Description: The HPORS is a single-employer, defined benefit plan established July 1, 1945, and governed by Title 19, chapters 2 & 6 of the MCA. This system provides retirement benefits to all members of the Montana Highway Patrol, including supervisory personnel. Benefits are established by state law and can only be amended by the Legislature. The HPORS provides retirement,

disability, and death benefits to plan members and their statutory beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights for death and disability are vested immediately. All other rights are vested after five or 10 years of service. A brief summary of eligibility and benefits follows.

HPORS Summary of Benefits

Member's highest average compensation (HAC)

Highest average compensation during any consecutive 36 months.

Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a member's highest average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Hired prior to July 1, 2013 - 5 years of membership service, actuarially reduced from age 60. Hired on or after July 1, 2013 - 10 years of membership service, actuarially reduced from age 60.

Vesting Hired prior to July 1, 2013 - 5 years of membership service Hired on after July 1, 2013 - 10 years of membership service

Monthly benefit formula

Retire prior to July 1, 2013 - 2.5% of HAC per year of service credit. Retire on or after July 1, 2013 - 2.6% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Hired on or after July 1, 2013 - after the member has completed 36 full months of retirement, the member's benefit increases by a maximum of 1.5% each January, inclusive of all other adjustments to the member's benefit.

HPORS Summary of Benefits (continued)

Minimum benefit adjustment (non-GABA)

If hired prior to July 1, 1997 and member did not elect GABA - monthly benefits are increased each July when they fall below a statutorily guaranteed minimum. Any annual increase is limited to 5.0% over the current benefit and may not exceed 60% of the current base salary of a probationary officer.

At June 30, 2014 HPORS had one participating employer, the same as fiscal year 2013. The participating employer consists of:

HPORS EMPLOYERS		
Employer	June 30, 2014	June 30, 2013
State Agency - Department of Justice	<u>1</u>	1
Total	1	1

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 is 10.05% of the member's total compensation if hired on or after July 1, 1997 or for members electing GABA, and 10.0% for those members hired prior to July 1, 1997 and not electing GABA (all active members hired prior to July 1, 1997 have elected GABA).

Effective July 1, 2013 and ending July 1, 2016, all HPORS member contributions, regardless of hire date, will increase 1.0% annually.

Contributions are deducted from each member's salary and remitted by the participating employer. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

As the employer, the State contributed 38.33% of the total HPORS-covered payroll during fiscal year 2014. The first 28.15%, an increase of 2% from 26.15% in fiscal year

2013, is payable from the same source used to pay members' compensation. The remaining amount, equal to 10.18%, is payable from the general fund through a statutory appropriation.

Effective July 1, 2013, the State employer contributions increased from 36.33% to 38.33%. (Reference Schedule of Contribution Rates on page 99).

HPORS Active Membership by Employee Type		
Employee Type	6/30/2014	6/30/2013
GABA	229	219
Non-GABA	0	0
Total	229	219

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to

three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarially required rate of return as established by the PERB on the unpaid balance. No employees have taken advantage of this provision to date.

Supplemental Benefit for Retirees: Section 19-6-709, MCA provides eligible Montana highway patrol officers retired prior to July 1, 1991, or their survivors, an annual supplemental lump-sum payment distributed each September. This lump-sum payment is funded by a statutory appropriation requested by the PERB from the general fund. Factors impacting eligibility include the number of years the recipient has received a service retirement benefit or disability benefit, the recipient's age, and whether the recipient is employed in a position covered by a retirement system under Title 19. The average annual supplemental payment for non-GABA retirees was \$2,843 in September 2014.

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provision are the same as were described in the June 30, 2013 Actuarial Valuation Report for HPORS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.23% of active member payroll.

The discount rate as of June 30, 2014 is 7.75% which is the assumed long-term expected rate of return on HPORS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same acturial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$8.8 million. The NPL remaining as of June 30, 2014 is \$57.1 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$183.1 million. A 1.00% decrease in the discount rate increases the TPL to \$208.3 million (13.8%) and increases the NPL to \$82.3 million (44.1%). A 1.00% increase in the discount rate decreases the TPL to \$162.6 million (11.2%) and decreases the NPL to \$36.6 million (36.0%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the HPORS amortizes in 30.3 years. During the fiscal year ended June 30, 2014, the HPORS'

assets gained 17.10% on a market value basis. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 13.13%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$5.6 million.

Sheriffs' Retirement System (SRS)

Plan Description: The SRS is a multipleemployer, cost-sharing defined benefit plan established July 1, 1974, and governed by Title 19, chapters 2 & 7, MCA. This plan provides retirement benefits to all Department of Justice criminal and gambling investigators hired after July 1, 1993, all detention officers hired after July 1, 2005, and to all Montana sheriffs. Benefits are established by state law and can only be amended by the Legislature. The SRS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

SRS Summary of Benefits

Member's highest average compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months; Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months. Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's highest average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Age 50, 5 years of membership service, actuarially reduced.

Vesting 5 years of membership service

Monthly benefit formula

2.5% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007

At June 30, 2014 SRS had 57 participating employers, the same as fiscal year 2013. The participating employers consist of:

SRS EMPLOYERS			
Employers	June 30, 2014	June 30, 2013	
State Agencies - Department of Justice	1	1	
Counties	<u>56</u>	<u>56</u>	
Total	57	57	

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 was 9.245% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

The employer contribution rate for fiscal year 2014 was 10.115%. (Reference Schedule of Contribution Rates on page 99).

Effective July 1, 2013, employer contributions are required to be paid on working retiree compensation. Member contributions are not required for working retirees.

SRS Active Membership by Employer Type		
Employer Type	6/30/2014	6/30/2013
Dept of Justice	61	59
Counties	1,246	1,217
Total	1,307	1,276

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA allows state employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarial rate of return as established by the PERB on the unpaid balance. Three employees have taken advantage of this provision to date.

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provision are the same as were described in the June 30, 2013 Actuarial Valuation Report for SRS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.17% of active member payroll.

The discount rate as of June 30, 2014 is 7.75%, which is the assumed long-term expected rate of return on SRS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013.

The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013, except for the adjustment in discount rate from 7.75% to 6.68%. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in demographic assumptions. There was an increase in the discount rate resulting in a decrease in the liability. Because the beginning and end of year TPL are both based on the same actuarial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, as well as an increase in the discount rate, resulting in a decrease in the Net Pension Liability (NPL) of \$65.2 million. The NPL remaining as of June 30, 2014 is \$41.6 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$326.3 million. A 1.00% decrease in the discount rate increases the TPL to \$372.2 million (14.1%) and increases the NPL to \$87.6 million (110.5%). A 1.00% increase in the discount rate decreases the TPL to \$288.3

million (11.6%) and decreases the NPL to \$3.7 million (91.2%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability. During the fiscal year ending June 30, 2014, the SRS' assets gained 17.08% on a market value basis. However, due to the assetsmoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 12.96%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$12.2 million.

Game Wardens' and Peace Officers' Retirement System (GWPORS)__

Plan Description: The GWPORS is a multiple-employer, cost-sharing defined benefit plan established in 1963 and governed by Title 19, chapters 2 & 8, MCA. This system provides retirement benefits to all persons employed as a game warden, warden supervisory personnel, or state peace officer. Benefits are established by state law and can

only be amended by the Legislature. The GWPORS provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

GWPORS Summary of Benefits

Member's highest average compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months; Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months. Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's highest average compensation.

Eligibility for benefit

Age 50, 20 years of membership service.

Early Retirement (reduced benefit)

Age 55, vested members who terminate employment prior to 20 years of membership service.

Vesting 5 years of membership service

Monthly benefit formula

2.5% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired on or after July 1, 2007

At June 30, 2014 GWPORS had seven participating employers, the same as fiscal year 2013. The participating employers consist of:

GWPORS EMPLOYERS		
<u>Employers</u>	June 30, 2014	<u>June 30, 2013</u>
State Agencies	4	4
Colleges and Universities	<u>3</u>	3
Total	7	7

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 was 10.56% of member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

Each state agency and university employer contributed 9.0% of total GWPORS-covered payroll to the retirement plan during fiscal year 2014. (Reference Schedule of Contribution Rates on page 99).

GWPORS Active Membership by Employer		
Employer	6/30/2014	6/30/2013
Dept of Corrections	698	718
Dept FW&P	101	103
Dept of Livestock	38	33
Dept of Transport.	75	78
Universities	43	39
Total	955	971

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706,

MCA allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarially required rate of return as established by the PERB on the unpaid balance. No employees have taken advantage of this provision to date.

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provision are the same as were described in the June 30, 2013 Actuarial Valuation Report for GWPORS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.17% of active member payroll.

The discount rate as of June 30, 2014 is 7.75%, which is the assumed long-term expected rate of return on GWPORS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same acturial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$9.0 million. The NPL remaining as of June 30, 2014 is \$15.1 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the

discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$153.9 million. A 1.00% decrease in the discount rate increases the TPL to \$177.7 million (15.5%) and increases the NPL to \$39.0 million (157.7%). A 1.00% increase in the discount rate decreases the TPL to \$134.3 million (12.7%) and decreases the NPL to a negative \$4.4 million (129.4%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability. During the fiscal year ending June 30, 2014, the GWPORS' assets gained 16.97% on a market value basis. However, due to the assetsmoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 12.62%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$5.5 million

Municipal Police Officers' Retirement System (MPORS)_

Plan Description: The MPORS is a multiple-employer, cost-sharing defined benefit plan established in 1974 and is governed by Title 19, chapters 2 & 9 of the MCA. This plan covers all municipal police officers employed by first- and second-class cities and other cities that adopt the plan. Benefits are established by state law and can only be amended by the Legislature. The

MPORS provides retirement, disability, and death benefits to plan members and their statutory beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights for death and disability are vested immediately. All other rights are vested after five years of service. A brief summary of eligibility and benefits follows at the top of the next page.

MPORS Summary of Benefits

Member's final average compensation (FAC)

Hired prior to July 1, 1977 - average monthly compensation of final year of service; Hired on or after July 1, 1977 - final average compensation (FAC) for last consecutive 36 months. Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's final average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Age 50, 5 years of membership service.

Vesting 5 years of membership service

Monthly benefit formula

2.5% of FAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA - the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed officer in the city where the member was last employed.

At June 30, 2014 MPORS had 32 participating employers, one more than fiscal year 2013. The participating employers consist of:

	MPORS EMPLOYERS	
Employers	June 30, 2014	<u>June 30, 2013</u>
Cities	<u>32</u>	31
Total	32	31

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. Member contribution rates are dependent upon date of hire as a police officer. For

fiscal year 2014, member contributions as a percentage of salary are 7.0% if employed after June 30, 1975 and prior to July 1, 1979; 8.5% if employed after June 30, 1979 and prior to July 1, 1997; and 9.0% if employed

on or after July 1, 1997 and for members electing GABA. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

Each employer contributed 14.41% of total MPORS-covered payroll to the retirement plan during fiscal year 2014.

The State contributed 29.37% of total compensation for all covered police officers in fiscal year 2014. The State contributions are requested at the beginning of the fiscal year based on the previous fiscal year compensation and are due no later than November 1. (Reference Schedule of Contribution Rates on page 99).

MPORS Active Membership by Employee Type		
Employee Type	6/30/2014	6/30/2013
GABA	736	727
Non-GABA	7	7
Total	743	734

Deferred Retirement Option Plan (DROP): Beginning July 2002, eligible members of MPORS can participate in the DROP by filing a one-time irrevocable election with the PERB. The DROP is governed by Title 19, chapter 9, part 12, MCA. A member must have completed at least twenty years of membership service to be eligible. They may elect to participate in the DROP for a minimum of one month and a maximum of 60 months and may participate in the DROP only once. A participant remains a member of the MPORS, but will not receive membership service or service credit in the system for the duration of the member's

DROP period. During participation in the DROP, all mandatory contributions continue to the retirement system. A monthly benefit is calculated based on salary and years of service to date as of the beginning of the DROP period. The monthly benefit is paid into the member's DROP account until the end of the DROP period. At the end of the DROP period, the participant may receive the balance of the DROP account in a lump-sum payment or in a direct rollover to another eligible plan, as allowed by the IRS. If the participant continues employment after the DROP period ends. they will again accrue membership service and service credit. The DROP account cannot be distributed until employment is formally terminated. As of June 30, 2014, there are 47 DROP participants. Since program inception, a total of 115 members have participated in the DROP. The balance of the DROP accounts is \$6.7 million.

DROP Participation		
	6/30/2014	6/30/2013
Participants Beginning of Year	38	37
Participants Added	14	8
Completed DROP	5	7
Participants End of Year	47	38
DROP Distributions	\$468,766	\$1,176,526

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provision are the same as were described in the June 30, 2013 Actuarial Valuation Report for MPORS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.20% of active member payroll.

The discount rate as of June 30, 2014 is 7.75%, which is the assumed long-term expected rate of return on MPORS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same acturial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$21.9 million. The NPL remaining as of June 30, 2014 is \$157.1 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$476.3 million. A 1.00% decrease in the discount rate increases the TPL to \$545.7 million (14.6%) and increases the NPL to \$226.6 million (44.2%). A 1.00% increase in the discount rate decreases the TPL to \$421.2 million (11.6%) and decreases the NPL to \$102.0 million (35.1%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the MPORS amortizes in 19.6 years. During the fiscal year ended June 30, 2014, the MPORS' assets gained 16.53% on a market value basis. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 12.46%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$12.5 million

Firefighters' Unified Retirement System (FURS)

Plan Description: The FURS is a multipleemployer, cost-sharing defined benefit plan established in 1981, and governed by Title 19, chapters 2 & 13, MCA. This system provides retirement benefits to firefighters employed by first- and second-class cities, other cities and rural fire district departments that adopt the plan, and to firefighters hired by the Montana Air National Guard (MANG) on or after October 1, 2001. Benefits are established by state law and can only be amended by the Legislature. The FURS provides retirement,

disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and compensation. Member rights for death and disability are vested immediately. All other member rights are vested after five years of service. A brief summary of eligibility and benefits follows.

FURS Summary of Benefits

Member's compensation

Hired prior to July 1, 1981 and not electing GABA - highest monthly compensation (HMC); Hired on or after July 1, 1981 and those electing GABA - highest average compensation (HAC) during any consecutive 36 months.

Hired on or after July 1, 2013 - 110% annual cap on compensation considered as a part of a member's highest average compensation.

Eligibility for benefit

20 years of membership service, regardless of age.

Early Retirement

Age 50, 5 years of membership service.

Vesting 5 years of membership service

Monthly benefit formula

- 1) Members hired prior to July 1, 1981 and not electing GABA are entitled to the greater of:
 - 2.5% of HMC per year of service; OR
 - i) if less than 20 years of service -2% of HMC for each year of service;
 - ii) if more than 20 years of service 50% of the member's HMC plus 2% of the member's HMC for each year of service over 20 years
- 2) Members hired on or after July 1, 1981 and those electing GABA:
 - 2.5% of HAC per year of service.

Guaranteed Annual Benefit Adjustment (GABA)

Hired on or after July 1, 1997, or those electing GABA - after the member has completed 12 full months of retirement, the member's benefit increases by a maximum of 3.0% each January, inclusive of all other adjustments to the member's benefit.

Minimum benefit adjustment (non-GABA)

If hired before July 1, 1997 and member did not elect GABA, the monthly retirement, disability or survivor's benefit may not be less than ½ the compensation of a newly confirmed firefighter employed by the city that last employed the member (provided the member has at least ten years of membership service).

At June 30, 2014 FURS had 25 participating employers, same as fiscal year 2013. The participating employers consist of:

FURS EMPLOYERS					
<u>Employers</u>	June 30, 2014	June 30, 2013			
State Agencies - Department of Military Affairs	1	1			
Cities	16	16			
Rural Fire Districts	<u>8</u>	8			
Total	25	25			

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rates for fiscal year 2014 were 9.5% for members hired prior to July 1, 1997 and not electing GABA, and 10.7% for members hired on or after July 1, 1997 and members electing GABA. Contributions are deducted from each member's salary and remitted by participating employers. An individual account is established for each member's contributions and interest allocations until a retirement or refund request is processed.

Employer contribution rates for fiscal year 2014 were 14.36% of the total FURS-covered payroll.

The State contributed 32.61% of total compensation for all covered firefighters in fiscal year 2014. State contributions are requested at the beginning of each fiscal year based on previous fiscal year salary and are due no later than November 1. (Reference Schedule of Contribution Rates on page 99).

Effective July 1, 2013, employer and state contributions are required to be paid on working retiree compensation. Member

contributions are not required for working retirees.

FURS Active Membership by Employee Type					
Employee Type 6/30/2014 6/30/2013					
GABA	611	605			
Non-GABA	5	5			
Total	616	610			

Additional Service Purchase Due to a Reduction in Force: Section 19-2-706, MCA allows state and university system employees who are eligible for a service retirement and whose positions have been eliminated to have their employer pay a portion of the total cost of purchasing up to three years of "1-for-5" additional service. The employer has up to ten years to complete payment for the service purchases and is charged the actuarially required rate of return as established by the PERB on the unpaid balance. No employees have taken advantage of this provision to date.

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provision are the same as were described

in the June 30, 2013 Actuarial Valuation Report for FURS, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.19% of active member payroll.

The discount rate as of June 30, 2014 is 7.75%, which is the assumed long-term expected rate of return on FURS investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date. There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same actuarial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$27.3 million. The NPL remaining as of June 30, 2014 is \$97.6 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$419.2 million. A 1.00% decrease in the discount rate increases the TPL to \$478.4 million (14.1%) and increases the NPL to \$156.8 million (60.7%). A 1.00% increase in the discount rate decreases the TPL to \$370.8 million (11.5%) and decreases the NPL to \$49.3 million (49.5%).

Actuarial Status: The statutory funding rate is tested in the valuation to determine if it is sufficient to cover the Normal Cost Rate plus an amortization payment of the Unfunded Actuarial Liability, if any, over no more than 30 years. As of June 30, 2014, the FURS amortizes in 11.3 years. During the fiscal year ended June 30, 2014, the FURS' assets gained 16.53% on a market value basis. However, due to the asset-smoothing technique which recognizes only a portion of the gains and losses, the return on the actuarial asset value was 12.54%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$12.5 million.

Volunteer Firefighters' Compensation Act (VFCA)

Plan Description: The VFCA is a statewide retirement and disability plan. This compensation plan was established in 1965 and is governed by Title 19, chapter 17, MCA. All members are unpaid volunteers and the State of Montana is the only contributor to the plan. Benefits are established by state law and can only be amended by the Legislature. The VFCA provides pension, disability, and survivorship benefits for all eligible volunteer firefighters who are members of qualified volunteer fire companies in unincorporated areas, towns or villages and includes volunteer fire departments, fire districts, and fire service areas under the laws of the State of Montana

Benefits are based on eligibility and years of service. Member rights are vested after ten years of credited service. VFCA also provides limited benefits for death or injuries incurred in the line of duty.

A member who chooses to retire and draw a pension benefit may return to service with a volunteer fire department without loss of benefits. However, a returning retired member may not be considered an active member accruing credit for service.

A brief summary of eligibility and benefits follows.

VFCA Summary of Benefits

Eligibility for benefit

Age 55, 20 years of credited service; Age 60, 10 years of credited service.

Additional benefit

As of April 25, 2005, all retirees may receive a benefit equal to \$7.50 per month for each year of credited service, up to 30 years of credited service (maximum benefit \$225).

Effective July 1, 2011, members who retire on or after July 1, 2011 and have greater than 30 years of credited service will receive \$7.50 per month for each additional year of credited service over 30 years if the pension trust fund is actuarially sound, amortizing any unfunded liabilities in 20 years or less. This determination will be made annually and a member's benefit will be capped at \$225 a month (30 years of credited service) if the amortization period grows to greater than 20 years.

Vesting 10 years of credited service

Monthly benefit formula

\$7.50 per year of credited service

Contributions: The State is the only contributor to the VFCA. Contributions are 5% of fire insurance premium taxes collected on certain fire risks. The State Auditor makes

annual payments from the general fund to the Volunteer Firefighters' Compensation Act fund. (Reference Schedule of Contribution Rates on page 99).

Group Insurance Payments: Supplemental payments are available to qualified volunteer fire companies that provide additional group medical insurance for their members in case of death or injury incurred while in the line of duty. The payment is made to the volunteer fire companies and is equal to \$75 per year for each mobile firefighting unit owned by the volunteer fire company, up to a maximum of two units

GASB Statement No. 67 Reporting: The membership data, actuarial assumptions and plan provisions are the same as were described in the June 30, 2013 Actuarial Valuation Report for VFCA, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense is assumed to be \$61,000.

The discount rate as of June 30, 2014 is 7.75%, which is the assumed long-term expected rate of return on VFCA investments. Projections of the fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current members.

The Total Pension Liability (TPL) at the beginning of the measurement year is measured as a valuation date of June 30, 2013. The TPL at June 30, 2013 is the same as was reported for actuarial valuation purposes as of June 30, 2013, except that for active members the TPL is based upon a normal cost that increases with the inflation rate rather than being level dollar. The TPL at the end of the measurement year, June 30, 2014, is measured as of a valuation date of June 30, 2013 and projected to June 30, 2014. In future years, both the beginning and end of year TPL will be measured as of a valuation date one year prior to and projected to the appropriate date.

There were no significant events during the projection period.

During the measurement year there were no changes in benefits or changes in assumptions. Because the beginning and end of year TPL are both based on the same actuarial valuation, there are no differences between expected and actual experience reported this year. Total contributions and investment income exceeded the service cost, interest cost, and administrative expenses, resulting in a decrease in the Net Pension Liability (NPL) of \$3.4 million. The NPL remaining as of June 30, 2014 is \$5.1 million.

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. At June 30, 2014, the TPL using the current discount rate of 7.75% is \$38.4 million. A 1.00% decrease in the discount rate increases the TPL to \$42.1 million (9.8%) and increases the NPL to \$8.9 million (74.1%). A 1.00% increase in the discount rate decreases the TPL to \$35.2 million (8.4%) and decreases the NPL to \$1.9 million (63.0%).

Actuarial Status: The annual required contribution decreased from \$1,116,227 at the June 30, 2013 valuation to \$890,358 at the June 30, 2014 valuation. The actuarial contribution is determined as the normal cost, administrative expense, and a 20-year open amortization of the unfunded actuarial liability. As of June 30, 2014, the VFCA amortizes in 5.1 years. During the year ended June 30, 2014, the VFCA's assets gained 16.23% on a market value basis. However, due to the assetsmoothing method which recognizes only

a portion of the gains and losses, the return on the actuarial asset value was 12.34%. This return was above the assumed rate of return of 7.75% and resulted in an actuarial gain on investments of \$1.3 million.

Public Employees' Retirement System-DCRP (PERS-DCRP)

Plan Description: The PERS-Defined Contribution Retirement Plan (DCRP) is a multiple employer plan established July 1, 2002 and governed by Title 19, chapters 2 & 3, MCA. This plan is available to eligible employees of the State, Montana University System, local governments, and school districts. All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to transfer to the PERS-DCRP

or remain in the PERS-DBRP by filing an irrevocable election. If an election is not filed the member remains in the PERS-DBRP. Members may not be members of both the defined contribution and defined benefit retirement plans. The PERS-DCRP provides retirement, disability, and death benefits to plan members and their beneficiaries.

A brief summary of eligibility and benefits follows.

PERS-DCRP Summary of Benefits

Eligibility for benefit

Termination of Service

Vesting

Immediate for participant's contributions and attributable income;

5 years of membership service for the employer's contributions to individual accounts and attributable income

Benefit

Depends upon eligibility and individual account balance;

Various payout options are available, including: taxable lump sums, periodic payments per participant direction and IRS permitted rollovers.

Contributions: Member and employer contribution rates are established by state law and may be amended only by the Legislature. The member contribution rate for fiscal year 2014 was 7.9% of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The entire amount of the member's contribution is credited to the individual account and maintained by the record keeper.

The 7.9% member contributions is temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates. There is no change to the member contributions on January 1, 2015.

Each state agency and university system employer contributed 8.17% of PERS-covered payroll during fiscal year 2014. Participating local government employers contribute 8.07% of PERS-covered payroll during fiscal year 2014. The State contributed the remaining 0.1% for local governments. Participating school districts contributed 7.8% of PERS-covered payroll during fiscal year 2014. The State contributed the remaining 0.37%. (Reference Schedule of Contribution Rates on page 99).

The employer rate of 8.17% is allocated as follows: 4.19% to the member's retirement account, 2.64% to the defined benefit plan choice rate, 0.04% to the defined contribution education fund, 0.3% to the long term disability plan and 1.0% to the defined benefit plan unfunded liability.

Following the 2013 Legislative Session, PERS employer contributions were temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions including the 0.27% added in 2007 and 2009, terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and member contribution rates. There is no change to the employer contributions on January 1, 2015. (Reference Schedule of Contribution Rates on page 99).

PERS-DCRP Active Membership by Employer Type					
Employer Type 6/30/2014 6/30/2013					
State Agencies	1,022	957			
Counties	360	332			
Cities	272	274			
Universities	114	123			
High Schools	3	3			
School Districts	247	237			
Other Agencies 170 16					
Total	2,188	2,087			

Plan Membership Elections: Included in the financial statements are employer contribution transfers of \$6,833 and member contribution transfers of \$12,883. These transfers reflect the contribution transfers of DCRP participants that filed elections at or near the June 30 cutoff date, although the contributions were not moved until early fiscal year 2015.

DCRP Education Fund: Implemented July 1, 2002, the DCRP Education Fund (DCEd), as governed by section 19-3-112, MCA, was established to provide funding for the required education programs for members who have joined the PERS-DCRP. The DCEd was funded by 0.04% of the employers' contributions in fiscal year 2014.

DCRP Disability Fund: Implemented July 1, 2002, the DCRP Disability Fund (DC Disability), as governed by section 19-3-2117, MCA, provides disability benefits to eligible members who elect the PERS-DCRP. The DCRP Disability Fund received 0.3% of the employers' contribution in fiscal year 2014. The DC Disability OPEB is reported on the financial statements under the column heading PERS-DCRP Disability OPEB.

At June 30, 2014 PERS-DCRP had 264 reporting employers, one more than in fiscal year 2013. The participating employers consist of:

PERS-DCRP EMPLOYERS					
Employers	June 30, 2014	June 30, 2013			
State Agencies	31	31			
Counties	44	44			
Cities and Towns	51	49			
Universities	5	5			
School Districts	91	92			
High Schools	2	2			
Other Agencies	<u>40</u>	<u>40</u>			
Total	264	263			

Participants of the PERS-DCRP direct their contributions and a portion of their employer's contribution among the offered investment options. Participants may invest in any or all of the offered options and transfer between options on a daily basis, if desired. The remaining portion of the employer's contributions is used to reduce the Plan Choice Rate unfunded actuarial liability, to fund the long-term disability benefits to participants of the DCRP, to fund an employee education program and to reduce the defined benefit plan's unfunded liability. The investment options offered are selected by the PERB in compliance with their Investment Policy Statement, the advice of an independent investment consultant, and assistance from the statutorily-created Employee Investment Advisory Council.

The offered investment options fall into two primary types: (1) the fixed investment option and (2) the variable investment options.

Variable investments: The variable investment options include a variety of Large, Mid and Small Cap mutual funds, as well as a fixed income bond fund and Target Date Retirement Funds. Options range from aggressive to conservative. The mutual funds cover all standard asset classes and categories. The investment options as of June 30, 2014 are as follows.

PERS-DCRP Investment Options

International Stock Funds

American Funds New Perspective A
Oakmark International
Vanguard Total International Stock Index
Oppenheimer Developing Markets Y

Small Company Stock Funds Vanguard Small Cap Growth Index Vanguard Small Cap Index Signal Target Small Cap Value

Mid-Sized Company Stock Funds Munder Mid-Cap Core Growth A MFS Mid-Cap Value

Large Company Stock Funds

Alger Capital Appreciation Z
BlackRock Equity Index - Collective F
Vanguard Equity Income - Adm
JP Morgan US Equity

Balanced Funds

Vanguard Balanced Index - Inst'l

Bond Funds

Vanguard Total Bond Market Index Signal

Target Date Funds

T. Rowe Price Retirement 2005 through 2055

Fixed Investment Options Montana Fixed Fund

Montana Stable Value Fixed Fund (Fixed Investment): The Montana Stable Value Fixed Fund option of the PERS-DCRP, are administered through outside vendors Pacific Investment Management Company (PIMCO), custodial bank, State Street Bank Kansas City (SSKC), and a third-party insurer, Transamerica. When participants invest in the Montana Stable Value Fixed Fund option they are guaranteed a fixed rate of return. The Montana Stable Value Fixed Fund employs a synthetic stable value strategy where the investment manager, PIMCO, manages a diversified bond portfolio and Transamerica guarantees the participants' principal investments and earnings. Transamerica sets a fixed quarterly rate of return based on the investment manager's portfolio market value yield and duration.

All money invested in the Montana Stable Value Fixed Fund of the PERS-DCRP and

Deferred Compensation Plan are invested in the Pooled Trust. The Pooled Trust qualifies as a group trust under sections 401(a), including section 401(a)(24) and 501(a), of the IRC of 1986, as amended. Under the Pooled Trust agreement Transamerica provides a guarantee of principal and sets a fixed quarterly crediting rate. The Pooled Trust assets are invested by PIMCO and are held under a custodial agreement with SSKC. The Pooled Trust assets are invested by PIMCO based on an investment guideline schedule as agreed upon in the Pooled Trust Contract and approved by the PERB, PIMCO, and Transamerica.

Administrative expenses and revenues are accounted for within the plan. Expenses for the DCRP can generally be classified as 1) administrative, including miscellaneous or 2) investment management. Following is a summary of revenues and expenses.

Administrative funding: PERB's administrative fee is a basis point (or percent) fee based on account balances. On a quarterly basis, the record keeper, Great-West Financial (Great-West), withholds the basis point fee from each plan participant's account and, after paying Great-West fees, submits the remainder to the PERB. They are recorded as Miscellaneous Revenue in the financial statements.

The PERB receives revenue sharing fees from certain mutual fund companies. These fees are normally charged by the mutual funds for the purpose of individual record keeping or marketing. The PERB uses revenue sharing fees to pay administrative expenses associated with the PERS-DCRP. These amounts are recorded as *Miscellaneous Revenue*.

Record keeping fees: The record keeper, Great-West, charges a set administrative fee

to the PERB for all plan participants. Prior to October 1, 2012, the administrative fee was withheld from each plan participant's account. On October 1, 2012, following a review of the plan revenues and expenses, the PERB instructed Great-West to eliminate the fee withholding process. These amounts are recorded as *Miscellaneous Expense* in the financial statements.

Fixed investment fees: The fixed investment crediting rate is declared net of expenses. Fees on the fixed investments are charged by each of the three providers, PIMCO, SSKC, and Transamerica. The fees are defined under each contract for specific services. The fees charged by PIMCO and SSKC for the externally managed fixed investments are classified

as *Investment Expense*. The fees charged by Transamerica are classified as *Miscellaneous Expense*.

Mutual funds/variable investments fees: All of the variable investments have investment management fees; some may have additional administrative fees. These fees are not presented in the financial statements. Mutual fund earnings are declared net of expenses, both investment management and administrative, in accordance with the Securities and Exchange Commission and other regulatory authorities. Current reporting standards for mutual fund companies do not require costs to be made available in the detailed cost reports.

Deferred Compensation Plan (457)

Plan Description: The Deferred Compensation (457) Plan is a voluntary supplemental retirement savings plan established The Deferred in 1974. Compensation Plan is governed by Title 19, chapter 50, MCA, in accordance with Internal Revenue Code (IRC) §457. This plan is available to all employees of the State. Montana University System, and contracting political subdivisions.

Assets of the Deferred Compensation Plan are required to be held in trusts, custodial accounts or insurance company contracts

for the exclusive benefit of participants and their beneficiaries. The record keeper for the plan is Great-West Financial (Great-West). Participants elect to defer a portion of their salary, within Internal Revenue Code limits. The deferred salary is not available to employees until separation from service, retirement, death, or upon an unforeseeable emergency while still employed, provided IRS-specified criteria are met.

A brief summary of eligibility and benefits follows.

Deferred Compensation Plan Summary

Contribution

Voluntary, pre-tax deferral or designated Roth contribution

Eligibility for benefit

Not available to participant until separation from service, retirement, death, or upon an unforeseeable emergency, while still employed, provided IRS-specified criteria are met.

Deferred Compensation Plan Summary (continued)

Vesting

Participants are fully vested in their accounts immediately.

Benefit

Lump sum or periodic benefit payment, at the option of the participant. Based on individual account balances and plan provisions. IRS permitted rollovers are also possible.

At June 30, 2014 the Deferred Compensation Plan had 36 participating employers, an increase of five from fiscal year 2013. The participating employers consist of:

DEFERRED COMPENSATION EMPLOYERS							
Employers	June 30, 2014 June 30, 2013						
State of Montana*	1	1					
Counties	4	3					
Colleges and Universities	5	5					
School Districts	6	5					
Cities	10	7					
Other	<u>10</u>	<u>10</u>					
Total	36	31					

^{*}The State of Montana includes 34 agencies; however, due to the nature of the reporting for the 457 plan we are unable to specifically determine which agencies have participating employees.

Contributions: The Deferred Compensation Plan is a voluntary retirement plan designed to supplement retirement, Social Security and other retirement plans and savings. Participants designate the amount to contribute within IRC limitations.

Plan participants direct their deferred salary among the offered investment options. The investment options offered are selected by the PERB in compliance with their Investment Policy Statement, the advice of an independent investment analyst, and the statutorily-created Employee Investment Advisory Council.

Participants may invest in any or all of the offered options and transfer between options on a daily basis, if desired.

The offered investment options fall into two primary types: (1) the fixed investment option and (2) the variable investment options.

Variable investments: The variable investment options include a variety of Large, Mid and Small Cap mutual funds, as well as a fixed income bond fund and Target Date Retirement funds. Options range from aggressive to conservative. The mutual funds

cover all standard asset classes and categories. The investment options as of June 30, 2014 are as follows.

<u>Deferred Compensation (457) Plan</u> <u>Investment Options</u>

International Stock Funds

Artisan International
Mutual Global Discovery Z
Dodge & Cox International
American Funds New Perspective R4
Oppenheimer Developing Markets Y

Small Company Stock Funds Vanguard Small Cap Growth Index Vanguard Small Cap Index Signal

Mid Cap Company Stock Funds Neuberger Berman Genesis-Trust Munder Mid-Cap Core Growth A Columbia Mid-Cap Value Fund Z

Large Cap Stock Funds

Vanquard Equity Income
Fidelity Contrafund
Vanguard Institutional Index
Calvert Social Investment Fund Equity

Balanced FundsVanguard Balanced Index

Bond Funds

Neuberger Berman High Income Bond Fund Inv PIMCO Total Return

Target Date Funds
T. Rowe Price Retirement 2005 through 2055

Fixed Investment Options
Montana Fixed Fund

In addition to the investments listed, plan participants previously had the option to direct a portion of their deferrals to a term life insurance policy provided through Allianz Life Insurance. The ability to invest in life insurance is allowed under the IRC and was offered to plan participants prior to life insurance being offered as a standard component of health insurance benefit packages. This investment option has been discontinued; however, plan participants who had previously elected this option may continue.

Montana Stable Value Fixed Fund (Fixed Investment): The Montana Stable Value Fixed Fund option of the Deferred Compensation Plan. are administered through outside vendors Pacific Investment Management Company (PIMCO), custodial bank, State Street Bank Kansas City (SSKC), and a third-party insurer, Transamerica. When participants invest in the Montana Stable Value Fixed Fund option they are guaranteed a fixed rate of return. The Montana Stable Value Fixed Fund employs a synthetic stable value strategy where the investment manager, PIMCO, manages a diversified bond portfolio and Transamerica guarantees the participants' earnings. principal investments and Transamerica sets a fixed quarterly rate of return based on the investment manager's portfolio yield and duration.

All money invested in the Montana Stable Value Fixed Fund of the PERS-DCRP and Deferred Compensation Plan is invested in the Pooled Trust. The Pooled Trust qualifies as a group trust under sections 401(a), including section 401(a)(24) and 501(a), of the IRC of 1986, as amended. Under the Pooled Trust agreement Transamerica provides a guarantee of principal and sets a fixed quarterly crediting rate. The Pooled Trust assets are invested by PIMCO and are held under a custodial

agreement with SSKC. The Pooled Trust assets are invested by PIMCO based on an investment guideline schedule as agreed upon in the Pooled Trust Contract and approved by the PERB, PIMCO, and Transamerica.

Administrative expenses and revenues are accounted for within the plan. Expenses for the Deferred Compensation Plan can generally be classified as 1) administrative, including miscellaneous or 2) investment management. Following is a summary of all revenues and expenses.

Administrative funding: PERB's administrative fee is a basis point (or percent) fee based on account balances. On a quarterly basis, the record keeper, Great-West Financial (Great-West), withholds the basis point fee from each plan participant's account and, after paying Great-West fees, submits the remainder to the PERB. They are recorded as Miscellaneous Revenue in the financial statements

The PERB receives revenue sharing fees from certain mutual fund companies. These fees are normally charged by the mutual funds for the purpose of individual record keeping or marketing. The PERB uses revenue sharing fees to pay administrative expenses associated with the Deferred Compensation Plan. These amounts are recorded as *Miscellaneous Revenue*.

Record keeping fees: The record keeper, Great-West, charges a set administrative fee to the PERB for all plan participants. Prior to October 1, 2012, the administrative fee was withheld from each plan participant's account. On October 1, 2012, following a review of the plan revenues and expenses, the PERB instructed Great-West to eliminate

the fee withholding process. These amounts are recorded as *Miscellaneous Expense* in the financial statements.

Fixed investment fees: The fixed investment crediting rate is declared net of expenses. Fees on the fixed investments are charged by each of the three providers, PIMCO, SSKC, and Transamerica. The fees are defined under each contract for specific services. The fees charged by PIMCO and SSKC for the externally managed fixed investments are classified as *Investment Expense*. The fees charged by Transamerica are classified as *Miscellaneous Expense*.

Mutual fund/variable investments fee: All of the variable investments have investment management fees; some may have additional administrative fees These fees are not presented on the financial statements. Mutual fund earnings are declared net of both investment management expenses, and administrative in accordance with the Securities Exchange Commission and other regulatory authorities. Current reporting standards for mutual companies do not require costs to be made available in the detailed cost reports.

System	Member	Employer	State
PERS-DBRP*	7.9% [19-3-315(1)(a)(i), MCA]	8.17% State & University 8.07% Local Governments 7.8% School Districts (K-12) [19-3-316, MCA]	0.1% of local government payroll – paid from the Genera Fund 0.37% School Districts (K-12) payroll – paid from the Genera Fund [19-3-319, MCA]
PERS-DCRP*	7.9% [19-3-315(1)(a)(i), MCA]	8.17% State & University 8.07% Local Governments 7.8% School Districts (K-12) [19-3-316, MCA]	0.1% of local government payroll – paid from the Genera Fund 0.37% School Districts (K-12) payroll – paid from the Genera Fund [19-3-319, MCA]
PERS-DCRP Disability OPEB		0.3% [19-3-2117, MCA]	
JRS	7.0% [19-5-402, MCA]	25.81% [19-5-404, MCA]	
HPORS*	10.0% - hired prior to 7/01/97 & not electing GABA 10.05% - hired after 6/30/97 & members electing GABA [19-6-402, MCA]	28.15% [19-6-404(1), MCA]	10.18% of salaries – paid from the General Fund [19-6-404(2), MCA]
SRS	9.245% [19-7-403, MCA]	10.115% [19-7-404, MCA]	
GWPORS	10.56% [19-8-502, MCA]	9.0% [19-8-504, MCA]	
MPORS	7.0% - hired after 6/30/75 & prior to 7/1/79 & not electing GABA [19-9-710(b), MCA] 8.5% - hired after 6/30/79 and prior to 7/1/97 & not electing GABA [19-9-710(c), MCA] 9.0% - hired after 6/30/97 & members electing GABA [19-9-710(d), MCA & 19-9-710(2), MCA]	14.41% [19-9-703, MCA]	29.37% of salaries – paid from the General Fund [19-9-702, MCA]
FURS	9.5% - hired prior to 7/1/97 & not electing GABA [19-13-601(2)(a), MCA] 10.7% - hired after 06/30/97 & members electing GABA [19-13-601(2)(b), MCA]	14.36% [19-13-605, MCA]	32.61% of salaries – paid from the General Fund [19-13-604, MCA]
VFCA			5.0% of fire insurance premiums, paid from the General Fund [19-17-301, MCA]

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information Schedule of Changes in Multiple-Employer Plans Net Pension Liability

as of June 30, 2014

Last 10 Fiscal Years¹

	PERS-DBRP	SRS
Total pension liability		
Service cost (Beginning of year)	\$ 137,452,701	\$ 15,117,708
Interest (includes interest on service cost)	456,406,491	23,976,049
Changes of benefit terms		
Differences between expected and actual experience		
Changes of assumptions ²		(49,542,278)
Benefit payments, including refunds of member contributions	(307,741,308)	(13,943,335)
Net change in total pension liability	\$ 286,117,884	\$ (24,391,856)
Total pension liability - beginning	5,902,662,931	350,664,155
Total pension liability - ending (a)	\$ 6,188,780,815	\$ 326,272,299
Plan fiduciary net position		
Contributions - employer ³	\$ 95,820,397	\$ 6,689,311
Contributions - non-employer	34,561,721	
Contributions - member ³	92,160,048	6,447,179
Net investment income	732,253,062	41,789,437
Benefit payments, including refunds of member contributions	(307,741,308)	(13,943,335)
Administrative expense	(3,522,346)	(203,493)
Net change in plan fiduciary net position	\$ 643,531,574	\$ 40,779,099
Plan fiduciary net position - beginning	\$ 4,299,238,343	243,876,180
Plan fiduciary net position - ending (b) ^{4 and 5}	\$ 4,942,769,917	\$ 284,655,279
Net pension liability - ending (a-b)	\$ 1,246,010,898	\$ 41,617,020

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

²The Changes of assumptions for SRS is the adjustment in the discount rate from 7.75% to 6.68% at June 30, 2013.

³The Contributions - employer consists of the Employer, Membership Fees, and Retirement Incentive Program less the State contribution for GABA of \$425,886 on the financial statements. The Contributions - member consists of the Plan Member and Interest Reserve Buyback on the financial statements.

⁴The difference of \$2,905,249 in the PERS-DBRP ending fiduciary net position on the financial statements and the ending fiduciary net position reported in the GASB 67 schedules is composed of the \$2,768,460 balance of the PERS-DBRP Education Fund at June 30, 2014, which is not used in the actuarial valuation or in the GASB 67 reporting; \$152,238 in the OPEB Implicit Rate Subsidy LT adjustment; and a \$15,449 administrative expense adjustment. The adjustments were completed after fiscal year end..

⁵The difference in the ending fiduciary net position on the financial statements and the ending fiduciary net position reported in the GASB 67 schedules for the SRS, GWPORS, MPORS, FURS, and VFCA is the OPEB Implicit Rate LT adjustment completed after fiscal year end.

GWPORS	MPORS	FURS	VFCA
\$ 7,849,828 11,258,354	\$ 11,794,994 35,011,854	\$ 10,608,895 30,847,306	\$ 237,639 2,843,095
(5,229,489)	(20,527,874)	(19,052,130)	(2,294,676)
\$ 13,878,693	\$ 26,278,974	\$ 22,404,071	\$ 786,058
139,985,218	450,043,289	396,769,177	37,573,382
\$ 153,863,911	\$ 476,322,263	\$ 419,173,248	\$ 38,359,440
\$ 3,762,217 4,461,889	\$ 6,459,488 13,048,938 4,133,021	\$ 5,767,277 13,007,210 4,697,333	\$ 1,818,237
20,069,398	45,230,427	45,464,858	4,815,491
(5,229,489)	(20,527,874)	(19,052,130)	(2,294,676)
(161,663)	(166,807)	(153,622)	(136,079)
\$ 22,902,352	\$ 48,177,193	\$ 49,730,926	\$ 4,202,973
115,840,754	271,009,167	271,825,743	29,067,228
\$ 138,743,106	\$ 319,186,360	\$ 321,556,669	\$ 33,270,201
\$ 15,120,805	\$ 157,135,903	\$ 97,616,579	\$ 5,089,239

Public Employees' Retirement Board

A Component Unit of the State of Montana

Required Supplementary Information Schedule of Changes in Single-Employer Plans Net Pension Liability

as of June 30, 2014

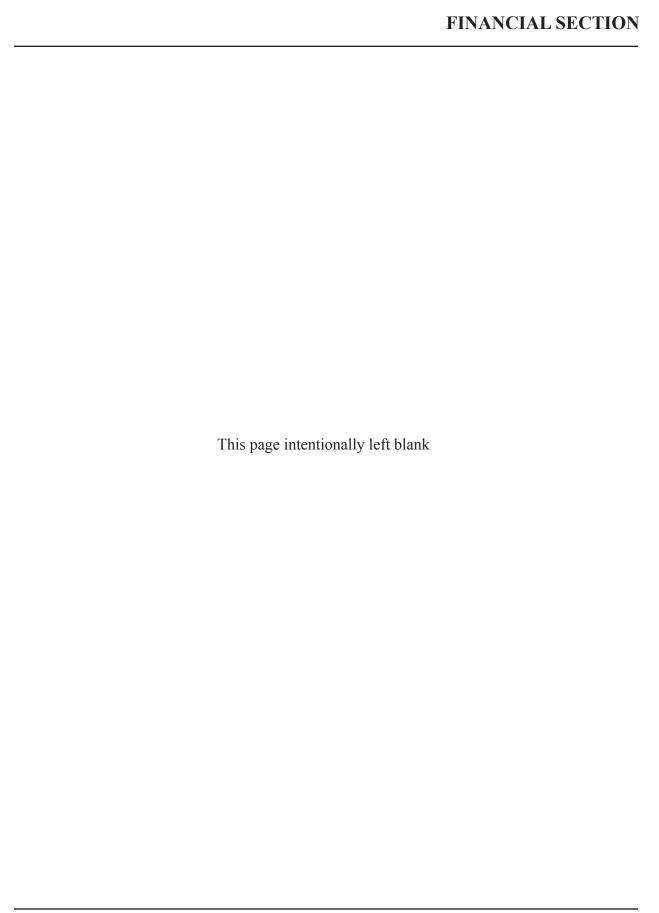
Last 10 Fiscal Years¹

	JRS		 HPORS	
Total pension liability				
Service Cost (Beginning of year)	\$	1,593,854	\$ 3,464,399	
Interest (includes interest on service cost)		3,824,389	13,517,924	
Changes of benefit terms				
Differences between expected and actual experience				
Changes of assumptions				
Benefit payments, including refunds of member contributions		(3,022,512)	(9,443,007)	
Net change in total pension liability	\$	2,395,731	\$ 7,539,316	
Total pension liabilitybeginning		49,236,164	175,593,829	
Total pension liabilityending (a)	\$	51,631,895	\$ 183,133,145	
Plan fiduciary net position				
Contributions - employer	\$	1,651,483	\$ 5,473,577	
Contributions - non-employer			261,930	
Contributions - member ²		481,461	1,458,042	
Net investment income		12,420,597	18,678,284	
Benefit payments, including refunds of member contributions		(3,022,512)	(9,443,007)	
Administrative expense		(100,567)	(109,140)	
Net change in plan fiduciary net position	\$	11,430,462	\$ 16,319,686	
Plan fiduciary net position - beginning	\$	72,792,380	109,690,706	
Plan fiduciary net position - ending (b) ³	\$	84,222,842	\$ 126,010,392	
Net pension liability - ending (a-b)	\$	(32,590,947)	\$ 57,122,753	

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

²The HPORS Contributions - member consists of Plan Member and Interest Reserve Buyback on the financial statements.

³The financial statement Plan Fiduciary Net Position is different from the GASB Statement No. 67 reported Plan Fiduciary Net Position. The difference for JRS and HPORS is due to the OPEB Implicit Rate LT adjustment completed after fiscal year end.



A Component Unit of the State of Montana

Required Supplementary Information Schedule of Net Pension Liability for Multiple-Employer Plans as of June 30, 2014

	PERS-DBRP			SRS
Total Pension Liability	\$	6,188,780,815	\$	326,272,299
Plan Fiduciary Net Position ^{2 and 3}	Y	4,942,769,917	Ψ	284,655,279
Multiple-Employers' Net Pension Liability (Asset)	\$	1,246,010,898	\$	41,617,020
Plan fiduciary net position as a percentage of the total pension liability		79.87%		87.24%
Covered Employee Payroll	\$	1,129,109,402	\$	64,672,635
Net pension liability as a percentage of covered employee payroll		110.35%		64.35%

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

²The difference of \$2,905,249 in the PERS-DBRP ending fiduciary net position on the financial statements and the ending fiduciary net position reported in the GASB 67 schedules is composed of \$152,238 in the OPEB Implicit Rate Subsidy LT adjustment; a \$15,449 administrative expense adjustment; and the \$2,768,460 balance of the PERS-DBRP Education Fund at June 30, 2014 which is not used in the actuarial valuation or in the GASB 67 reporting. The adjustments were completed after the actuarial valuations and GASB 67 reports were performed for fiscal year ending June 30, 2014.

³The difference in the ending fiduciary net position on the financial statements and the ending fiduciary net position reported in the GASB 67 schedules for the SRS, GWPORS, MPORS, FURS, and VFCA is the OPEB Implicit Rate adjustment completed after the actuarial valuation and GASB 67 reports were performed for fiscal year ending June 30, 2014.

 GWPORS	 MPORS		FURS		VFCA
\$ 153,863,911	\$ 476,322,263	\$	419,173,248	\$	38,359,440
138,743,106	319,186,360		321,556,669		33,270,201
\$ 15,120,805	\$ 157,135,903	\$	97,616,579	\$	5,089,239
90.17%	67.01%		76.71%		86.73%
\$ 41,636,566	\$ 44,426,617	\$	39,891,869		N/A
36.32%	353.70%		244.70%		N/A

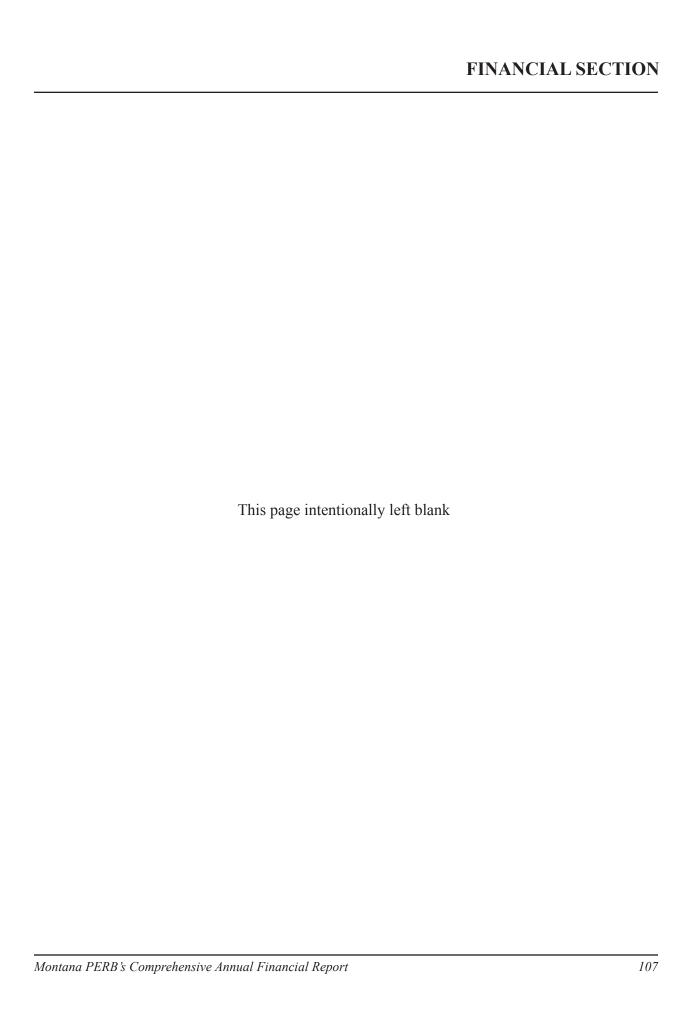
A Component Unit of the State of Montana

Required Supplementary Information Schedule of Net Pension Liability for Single-Employer Plans as of June 30, 2014

		JRS		HPORS
Total Pension Liability	\$	51,631,895	Ś	183,133,145
Plan Fiduciary Net Position ²	·	84,222,842	•	126,010,392
Single-Employers' Net Pension Liability (Asset)	\$	(32,590,947)	\$	57,122,753
Plan fiduciary net position as a percentage of				
the total pension liability		163.12%		68.81%
Covered Employee Payroll	\$	6,354,763	\$	14,149,269
Net pension liability as a percentage of covered employee payroll		-512.86%		403.72%

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

²The difference in the ending fiduciary net position on the financial statements and the ending fiduciary net position reported in the GASB 67 schedules is the OPEB Implicit Rate adjustment completed after the actuarial valuation and GASB 67 reports were performed for fiscal year ending June 30, 2014



A Component Unit of the State of Montana

Required Supplementary Information Schedule of Employer and Non-Employer (State) Contributions for Cost-Sharing Multiple-Employer Plans as of June 30, 2014

(in thousands)

	PER	PERS-DBRP		RS	
Actuarially Determined Contribution	\$	138,768	\$	9,779	
Contributions in Relation to the	Ş	150,700	Ş	9,779	
Actuarially Determined Contribution:					
Employer Contributions		95,820		6,689	
Non-Employer Contributions (State)		34,562			
Total Contributions	\$	130,382	\$	6,689	
Contribution Deficiency / (Excess)		\$8,386	\$	3,090	
Covered Employee Payroll	\$	1,129,109	\$	64,673	
Contributions as a Percentage of Covered					
Employee Payroll		11.55%		10.34%	

¹ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GWPORS		MF	PORS	FURS		VFC	CA
		1					
\$	4,976	\$	17,922	\$	13,699	\$	1,116
							1,818
	3,762		6,459		5,767		
			13,049		13,007		
\$	3,762	\$	19,508	\$	18,774		
\$	1,214	\$	(1,586)	\$	(5,075)	\$	(702)
\$	41,637	\$	44,427	\$	39,892		N/A
	9.04%		43.91%		47.06%		N/A

A Component Unit of the State of Montana

Required Supplementary Information Schedule of Employer and Non-Employer (State) Contributions for Single-Employer Plans

as of June 30, 2014

(in thousands)

Last 10 Fiscal Years¹

	JF	JRS		PORS
Actuarially Determined Contribution			\$	6,121
Contributions in Relation to the				
Actuarially Determined Contribution:				
Employer Contributions	\$	1,651		5,474
Non-Employer Contributions (State)				262
Total Contributions	\$	1,651	\$	5,736
Contribution Deficiency / (Excess)	\$	(1,651)	\$	385
Covered Employee Payroll	\$	6,355	\$	14,149
Contributions as a Percentage of Covered				
Employee Payroll		25.98%		40.54%

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule

Valuation date: June 30, 2013

Key Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method Entry age

Amortization method Level percentage of payroll, open

Remaining amortization period 30 years

Asset valuation method 4-year smoothed market

Inflation 3.00%

Salary increases 4.00% plus merit/seniority increases

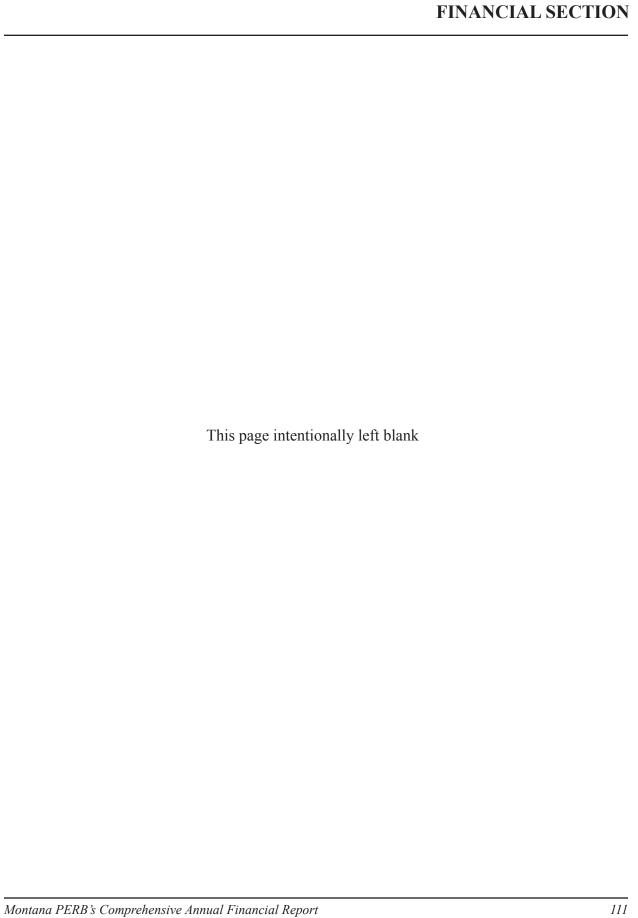
where applicable

Investment rate of return² 7.75%, net of investment and administrative

expenses

Mortality (Healthy) RP-2000 Combined Mortality

projected to 2015



A Component Unit of the State of Montana

Required Supplementary Information Schedule of Investment Returns for Multiple-Employer Plans as of June 30, 2014

	PERS-DBRP	SRS	GWPORS
Annual money-weighted rate of return,			
net of investment expense	17.18%	17.15%	17.12%

	MPORS	FURS	VFCA
Annual money-weighted rate of return,			
net of investment expense	17.16%	17.15%	17.23%

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A Component Unit of the State of Montana

Required Supplementary Information Schedule of Investment Returns for Single-Employer Plans as of June 30, 2014

	JRS	HPORS
Annual money-weighted rate of return,		
net of investment expense	17.17%	17.19%

¹This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A Component Unit of the State of Montana

Notes to the Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of latest actuarial valuation follows:

	PERS-DBRP	JRS	HPORS	
Valuation date	June 30, 2014	June 30, 2014	June 30, 2014	
Actuarial cost method	Entry Age	Entry Age	Entry Age	
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	
Remaining amortization period in years	:			
Unfunded Liability ¹	29.3		30.3	
Unfunded Credit ²		0		
Asset valuation method	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	
Actuarial assumptions:				
investment rate of return compounded annually (net of investment expense)	7.75%	7.75%	7.75%	
Projected salary increases				
General Wage Growth*	4.00%	4.00%	4.00%	
Merit	0% - 6%	None	0% - 7.3%	
*Includes inflation at	3.00%	3.00%	3.00%	
Administrative Expenses as a Percentag of Payroll ³	e 0.27%	0.15%	0.23%	
Benefit Adjustments				
GABA	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 yr	3% after 1 yr or 1.5% if hired on or after July 1, 2013, after 3 years	
Non-GABA	N/A	Biennial increase to salary of active member in like position	2% per yr service, not to exceed 5%, for probationary officer's base pay	

¹The amortization period for the unfunded actuarial liability in the SRS and GWPORS does not amortize.

² Assets are larger than the past service liability – creating an unfunded credit; the credit is amortized over future costs and the amortization period may not exceed 30 years.

³The administrative expense assumption is now explicitly stated as a cost element rather than being included implicitly within the investment return.

SRS	GWPORS	MPORS	FURS	VFCA
June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014	June 30, 2014
Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level dollar amount, open
Does not amortize ¹	Does not amortize ¹	19.6	11.3	5.1
				Based on Current Revenue
4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market	4-Year smoothed market
7.75%	7.75%	7.75%	7.75%	7.75%
4.00%	4.00%	4.00%	4.00%	N/A
0% - 7.3%	0% - 7.3%	0% - 7.3%	0% - 7.3%	N/A
3.00%	3.00%	3.00%	3.00%	
0.17%	0.17%	0.20%	0.19%	\$61,000
3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% or 1.5% for new hires on or after July 1, 2007, after 1 year	3% after 1 yr	3% after 1 yr	N/A
N/A	N/A	50% newly confirmed officer	50% newly confirmed officer	N/A

A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Funding Progress for PERS-DCRP Disability OPEB
(in thousands)

	Actuarial	Ac	tuarial			Unfu	ınded				UAL as a
	Valuation Value		alue of Actuarial		AL F		Funded	Covered		Percentage of	
System	Date	A	ssets	Liability (AL)		(UAL)		Ratio %	Pa	ayroll	Covered Payroll
PERS-DCRP											
DISABILITY OPEB	6/30/2013	\$	2,184	\$	2,715	\$	531	80.5%	\$	90,128	1%

The actuarial valuation for the PERS-DCRP Disability OPEB is performed on a biennial basis with the most recent actuarial valuation being as of June 30, 2013. The next valuation will be completed for fiscal year ending June 30, 2015.

This schedule is intended to show two years' previous information. This schedule shows only information for the most recent completed fiscal year which is fiscal year June 30, 2013. With this being the first year of reporting the plan as an OPEB plan, the previous two years' information is not available. Additional years will be displayed as they become available.

A Component Unit of the State of Montana

Required Supplementary Information Schedule of Employer Contributions & Other Contributing Entities

System	Year Ended June 30	Re	nnual equired ributions	Employer Percentage Contributed	Annual Required Contribution Rate	Re	annual equired State tribution	State Percentage Contributed
PERS-DCRP DISABILITY OPE	B 2013	\$	315,446	91.42%	0.35%	\$	532,014	100.00

Refer to the "Notes to the Required Supplementary Information" (Page 118).

The PERS-DCRP Disability OPEB actuarial valuation is performed on a biennial basis with the first year being June 30, 2013.

The next valuation will be completed for fiscal year ending June 30, 2015.

This schedule is intended to show information for 6 years. Additional years will be displayed as they become available.

A Component Unit of the State of Montana

Notes to Required Supplementary Information for PERS-DCRP Disability OPEB

Valuation Date June 30, 2013

Actuarial cost method Entry age funding method
Amortization method Level percent of payroll, open

Remaining amortization period 30 years
Asset valuation method Market Value

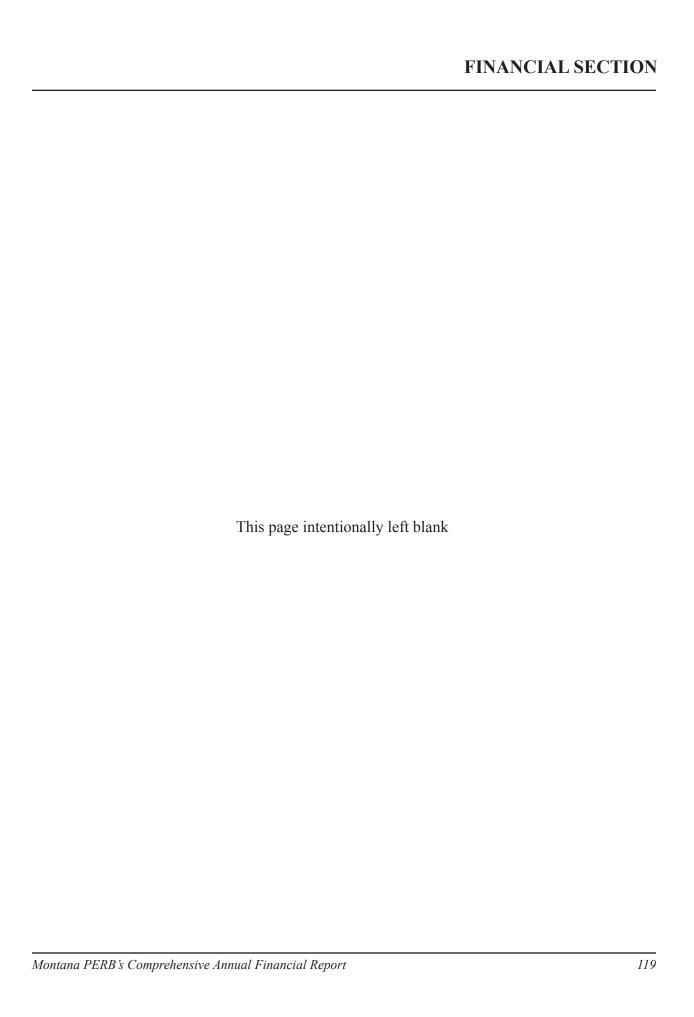
Actuarial assumptions:

Investment rate of return* 3.50% (net of expenses)

General wage growth* 4.00% (3.00% inflation plus 1.00% real wage growth)

Merit Salary Increases 0.00% - 6.00%

*Includes inflation at 3.00%



A Component Unit of the State of Montana
Required Supplementary Information
Schedule of Funding Progress for OPEB

(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	1	ctuarial Accrued bility (AAL) (b)	Infunded AAL (UAAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2009		\$	686,393	\$ 686,393	0.00%	\$1,438,749	47.71%
1/1/20111		\$	733,935	\$ 733,935	0.00%	\$1,644,229	44.64%
1/1/2013		\$	969,127	\$ 969,217	0.00%	\$1,991,739	48.66%

At June 30, 2014, the most recent actuarial valuation available was completed by the State of Montana January 1, 2013 for the calendar year ending December 31, 2013. This actuarial valuation is completed every two years with the next valuation to be completed as of January 1, 2015 for the calendar year ending December 31, 2015. The State of Montana finances claims on a pay-as-you-go basis and does not advance fund the OPEB liability. Therefore, the funded ratio remains at 0% at June 30, 2014. This is the OPEB obligation for MPERA as a State of Montana employer and is determined by the State of Montana

¹The Actuarial Accrued Liability (AAL) and Unfunded AAL (UAAL) were adjusted for the actuarial valuation date 1/1/2011 to show the inactive membership that was not included in the amounts reported in the FY2012 CAFR.

A Component Unit of the State of Montana

Notes to Required Supplementary Information for OPEB

Valuation Date January 1, 2013

Actuarial cost method Projected unit credit funding method

Amortization method Level percent of payroll, open

Remaining amortization period 30 years

Asset valuation method Not applicable since no assets meeting the definition of

plan assets under GASB 45

Actuarial assumptions:

Projected salary increases 2.50%

Participation

Future retirees 55.0%
Future eligible spouses 60.0%
Interest/Discount Rate 4.25%

A Component Unit of the State of Montana Schedule of Administrative Expenses Year Ended June 30, 2014

	Defined Benefit Plans	PERS-DBRP Education Fund	Education Contribution	
Personal Services				
Salaries	\$ 1,928,025	\$ 166,272	\$ 224,713	\$ 164,913
Board Members' Per Diem	6,191		830	679
Employee Benefits	610,000	59,007	76,033	53,457
Total Personal Services	2,544,216	225,279	301,576	219,049
Other Services				
Consulting & Professional Services	717,627	903	104,378	96,925
Legal Fees and Court Costs	39,826		412	66
Audit Fees	49,018		5,978	4,782
Medical Services	7,902			
Records Storage	4,392		536	429
Computer Processing	245,961		27,815	5,991
Printing and Photocopy Charges	23,244	3,803	4,070	1,264
Warrant Writing Services	42,323		5,161	4,129
Other	144,982	1,425	17,625	12,424
Total Other Services	1,275,275	6,131	165,975	126,010
Communications				
Recruitment Costs	1,362	105	175	110
Postage and Mailing	85,513	4,512	5,453	1,584
Telephone	36,928	3,582	4,822	2,878
Total Communications	123,803	8,199	10,450	4,572
Other Expenses				
Supplies and Materials	89,652	7,230	11,872	7,942
Travel	30,872	4,678	7,149	5,855
Rent	216,213	19,629	28,074	16,851
Repairs and Maintenance	2,702	246	351	211
Compensated Absences	50,541	879	7,511	8,405
OPEB Expenses	76,062	7,803	9,580	6,458
Miscellaneous	110,427	9,365	15,598	10,669
Total Other Expenses	576,469	49,830	80,135	56,391
Total Administrative Expenses	\$ 4,519,763	\$ 289,439	\$ 558,136	\$ 406,022

A Component Unit of the State of Montana

Schedule of Investment Expenses

Year Ended June 30, 2014

Plan	Investment Manager	Fees
PERS-DBRP	Board of Investments	\$26,863,258
JRS	Board of Investments	455,790
HPORS	Board of Investments	685,330
SRS	Board of Investments	1,534,248
GWPORS	Board of Investments	737,647
MPORS	Board of Investments	1,659,938
FURS	Board of Investments	1,669,063
VFCA	Board of Investments	176,463
DC	CICI Utility PIMCO State Street Bank Transamerica	50 66,055 4,118 26,863
457	CICI Utility PIMCO State Street Bank Transamerica	50 623,968 39,426 457,480

Total Investment Expense

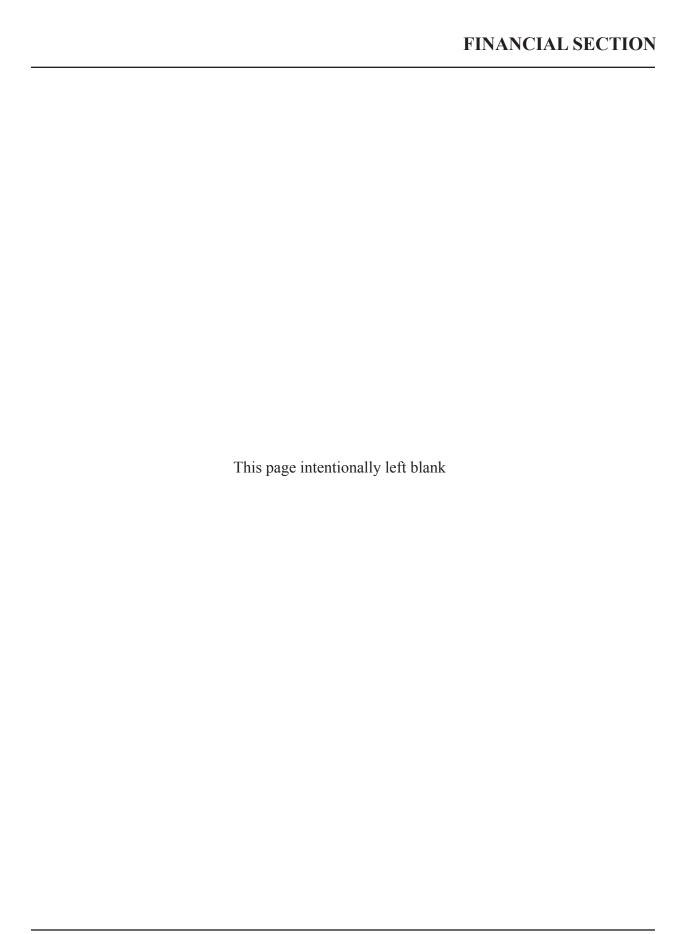
\$34,999,747

A Component Unit of the State of Montana

Schedule of Professional/Consultant Fees

Year Ended June 30, 2014

Individual or Firm	Nature of Service	Amount Paid	
Consultant Fees			
Amdec, LTD	Computer Programming Services	\$	145,008
A 2 Z Personnel	Temporary Employment Serivces		56,038
Beki Glyde Brandborg	Facilitator		7,400
Cheiron, Inc	Actuarial Consultant		138,815
Comserv, Inc.	Death Validation Services		1,411
Ecofile	Imaging Services		13,915
Government Finance Officers Assoc	CAFR Review		1,015
Ice Miller	Tax Consultants		17,728
Julie Benson-Rosston	Facilitator		5,500
Provaliant Retirement, LLC	Project Management		107,816
Recall Secure Destruction Services	Secure Shredding Services		544
Sagitec Solutions, LLC	Pension Systems Design		162,948
Seisint, Inc.	Risk Data Management Services		478
Ventera Corporation	Data Services		158,218
Wilshire Associates Inc.	Mutual Funds Performance Review		103,000
Consultant Fees Subtotal			919,834
Other Professional Fees			
Dean Gregg, PHD	Medical Consultant		1,170
Department of Justice	Legal Services		1,396
Legislative Audit Division	Independent Auditors		58,779
Robert J Bateen, PHD	Medical Consultant		115
Timothy D Schofield, MD PLLC	Medical Consultant		6,617
Other Professional Fees Subtotal			68,077
Total Professional/Consultant Fees		\$	987,911



A Component Unit of the State of Montana **Detail of Fiduciary Net Position** (PERS-DBRP and PERS-DBEd) **as of June 30, 2014**

	PERS-DBRP	PERS-DBEd	TOTAL
Assets			
Cash and Short-term Investments	\$ 109,847,041	\$ 2,793,453	\$ 112,640,494
Securities Lending Collateral	207,292,003	2,056	207,294,059
Receivables			
Interest	5,366,402	268	5,366,670
Accounts Receivable	1,649,012		1,649,012
Due from Other Funds	443,412	12,137	455,549
Due from Primary Government	3,601,869		3,601,869
Notes Receivable	20,714		20,714
Total Receivables	11,081,409	12,405	11,093,814
Investments, at fair value			
Montana Domestic Equity Pool (MDEP)	1,933,145,416		1,933,145,416
Retirement Fund Bond Pool (RFBP)	1,069,517,475		1,069,517,475
Montana International Pool (MTIP)	877,318,009		877,318,009
Montana Private Equity Pool (MPEP)	517,872,903		517,872,903
Montana Real Estate Pool (MTRP)	426,527,659		426,527,659
Structured Investment Vehicles (SIV)	1,148,255	30,397	1,178,652
Total Investments	4,825,529,717	30,397	4,825,560,114
Capital Assets			
Property and Equipment, at cost,			
net of Accumulated Depreciation	48,585		48,585
Intangible Assets, at cost,			
net of Amortization Expense	613,261		613,261
Total Capital Assets	661,846		661,846
Total Assets	5,154,412,016	2,838,311	5,157,250,327
Liabilities			
Securities Lending Liability	207,292,003	2,056	207,294,059
Accounts Payable	1,028,565	13,531	1,042,096
Unearned Revenue	106,676		106,676
Due to Other Funds	376,005		376,005
Due to Primary Government	2,069,366		2,069,366
Compensated Absences	279,298	14,813	294,111
OPEB Implicit Rate Subsidy LT	353,397	39,451	392,848
Total Liabilities	211,505,310	69,851	211,575,161
Net Position Restricted for Pension Benefits	\$ 4,942,906,706	\$ 2,768,460	\$ 4,945,675,166

A Component Unit of the State of Montana

Detail of Changes in Fiduciary Net Position (PERS-DBRP and PERS-DBEd)

for the Fiscal Year Ended June 30, 2014

	PERS-DBRP	Р	ERS-DBEd	TOTAL
Additions				
Contributions				
Employer	\$ 95,737,27	73 \$	447,715	\$ 96,184,988
Plan Member	92,041,67	76		92,041,676
Membership Fees	1	19		19
Interest Reserve Buyback	118,37	72		118,372
Retirement Incentive Program	61,27	76		61,276
Miscellaneous Revenue	33,675,31	13		33,675,313
State Contributions	886,40	08		886,408
Total Contributions	222,520,33	37	447,715	222,968,052
Investment Income				
Net Appreciation (Depreciation)				
in Fair Value of Investments	553,236,30	06		553,236,306
Interest	192,320,78	35	3,890	192,324,675
Dividends	12,926,74	18		12,926,748
Investment Expense	(26,863,25	8)		(26,863,258)
Net Investment Income	731,620,58	31	3,890	731,624,471
Securities Lending Income				
Securities Lending Income	1,016,58	33	5	1,016,588
Securities Lending Rebate and Fees	(158,50	4)		(158,504)
Net Securities Lending Income	858,07	79	5	858,084
Total Net Investment Income	732,478,66	30	3,895	732,482,555
Total Additions	954,998,99	97	451,610	955,450,607
Deductions				
Benefits	296,183,07	76		296,183,076
Refunds/Distributions	10,069,99	97		10,069,997
Refunds to Other Plans	286,92	22		286,922
Transfers to DCRP	1,027,62	22		1,027,622
Transfers to ORP	173,69	91		173,691
OPEB Expenses	69,09	91	7,803	76,894
Administrative Expenses	3,422,41	13	281,636	3,704,049
Total Deductions	311,232,81	12	289,439	311,522,251
Net Increase (Decrease)	643,766,18	35	162,171	643,928,356
Net Position Restricted for Pension Benefits				
Beginning of Year	4,299,238,34	13	2,594,324	4,301,832,667
Prior Period Adjusment	(97,82	2)	11,965	(85,857)
End of Year	\$ 4,942,906,70)6 \$	2,768,460	\$ 4,945,675,166

A Component Unit of the State of Montana

Detail of Fiduciary Net Position (PERS-DCRP, PERS-DCEd and PERS-DC Disability) as of June 30, 2014

	PERS-DCRP	PERS-DCEd	PERS-DC DISABILITY*	TOTAL
Assets				
Cash and Short-term Investments	\$1,201,037	\$183,342		\$1,384,379
Securities Lending Collateral	770	134		904
Receivables				
Interest	103	17		120
Accounts Receivables	17,821			17,821
Due from Other Funds	353,935	1,169		355,104
Total Receivables	371,859	1,186		373,045
Investments, at fair value				
Defined Contributions Fixed Investments	10,014,868			10,014,868
Defined Contributions Variable Investments	117,713,137			117,713,137
Structured Investment Vehicles (SIV)	11,380	1,985		13,365
Total Investments	127,739,385	1,985		127,741,370
Property and Equipment, at cost,				
net of Accumulated Depreciation (Note A2)	6,599			6,599
Intangible Assets, at cost,				
net of Amortization Expense (Note A2)	146,513			146,513
Total Assets	129,466,163	186,647		129,652,810
Liabilities				
Securities Lending Liability	770	134		904
Accounts Payable	152,317	2,339		154,656
Compensated Absences	35,745	2,729		38,474
OPEB Implicit Rate Subisidy LT	40,422	4,019		44,441
Total Liabilities	229,254	9,221		238,475
Net Position Restricted for Pension Benefits	\$129,236,909	\$177,426		\$129,414,335

^{*}Beginning this fiscal year 2014, the PERS-DC Disability Trust Fund is being presented in the Fiduciary Net Position and Statement of Changes in Fiduciary Net Position as a defined benefit OPEB plan, *PERS-DCRP Disability OPEB*. In prior years, the PERS-DC Disability was recorded as a separate fund of the PERS-DCRP. This is a correction in reporting in previously issued financial statements.

A Component Unit of the State of Montana

Detail of Changes in Fiduciary Net Position (PERS-DCRP, PERS-DCEd and PERS-DC Disability) *for the Fiscal Year Ended June 30, 2014*

	PERS-DCRP	PERS-DCEd	PERS-DC DISABILITY*	TOTAL
Additions				
Contributions				
Employer	\$ 4,360,332	\$ 49,449		\$ 4,409,781
Plan Member	8,534,159			8,534,159
Miscellaneous Revenue	40,268			40,268
Forfeiture of Nonvested Member	251,907			251,907
Total Contributions	13,186,666	49,449		13,236,115
Investment Income				
Net Appreciation (Depreciation)				
in Fair Value of Investments	15,238,624			15,238,624
Interest	3,225,079	263		3,225,342
Investment Expense	(97,085)			(97,085)
Net Investment Income	18,366,618	263		18,366,881
Securities Lending Income				
Securities Lending Income	2			2
Securities Lending Rebate and Fees				
Net Securities Lending Income	2			2
Total Net Investment Income	18,366,620	263		18,366,883
Total Additions	31,553,286	49,712		31,602,998
Deductions				
Benefits	4,737,591			4,737,591
Distributions				
OPEB Expensee	8,317	1,263		9,580
Administrative Expenses	499,429	49,127		548,556
Miscellaneous Expenses	173,791			173,791
Total Deductions	5,419,128	50,390		5,469,518
Net Increase (Decrease)	26,134,158	(678)		26,133,480
Net Position Restricted for Pension Benefits				
Beginning of Year	103,122,288	176,166	2,184,488	105,482,942
Prior Period Adjustment	(19,536)	1,937	(2,184,488)	(2,202,087)
End of Year	\$ 129,236,910	\$ 177,425		\$ 129,414,335

^{*}Beginning this fiscal year 2014, the PERS-DC Disability Trust Fund is being presented in the Fiduciary Net Position and Statement of Changes in Fiduciary Net Position as a defined benefit OPEB plan, PERS-DCRP Disability OPEB. In prior years, the PERS-DC Disability was recorded as a separate fund of the PERS-DCRP. This is a correction in reporting in previously issued financial statements.



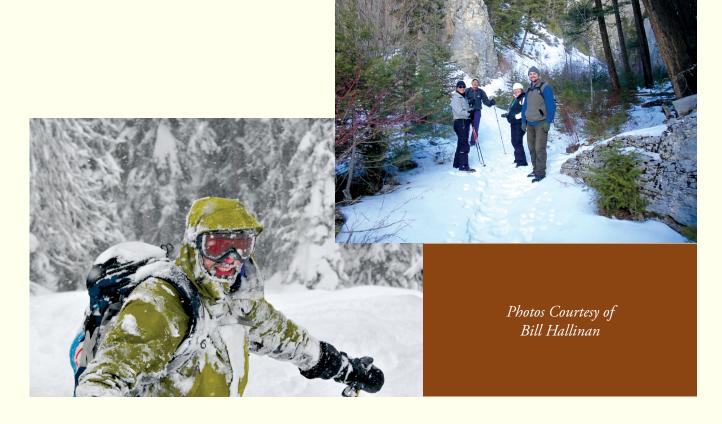
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Photos Courtesy of Montana Office of Tourism



Montana is famous for its wide variety of outdoor winter activities ranging from downhill skiing, snow-shoeing, snowmobiling and even dog sledding.



MONTANA BOARD OF INVESTMENTS

Department of Commerce

Street Address: 2401 Colonial Drive, 3rd Floor Helena, MT 59601

Mailing Address: P.O. Box 200126 Helena, MT 59620-0126



Phone: 406/444-0001 Facsimile: 406/449-6579 Rateline: 406/444-3557 Website: www.investmentmt.com

PERS Annual Report Investment Letter

For the fiscal year ended 6/30/14

The fiscal year 2014 return of 17.16% represented the fifth consecutive year of positive returns. This comes at a time when the Federal Reserve has begun the unwinding of its controversial expansionary asset purchase program known as quantitative easing which has contributed to the recent above average stock returns. All asset classes have performed well this year with U.S. equities posting the strongest returns for the third year in a row. The annualized three year plan return remains high at 10.7%, while the five year return has jumped to an impressive 13.27% due to this year's strong return and the dropping off of the negative return in fiscal year 2009. The trailing ten year and since inception returns are within long-term expectations at 6.95% and 7.93% respectively. Relative to our public fund peer universe as reported by our custodial bank, State Street, the one, two, and five year returns ranked in the second quartile while the three and four year returns ranked in the first quartile.

The U.S. economy has continued to grow this calendar year, albeit in a choppy pattern with a decline of 2.1% in the first quarter due to the effects an unusually severe winter, followed by a strong bounce back in the second quarter. Though still high by historical standards, the unemployment rate has continued its downward trend, going from its high of 10% in October 2009 to 6.1% this August. The improvements in the U.S. economy and labor markets have not been matched in other parts of the world. In the European Union, high unemployment exceeding 10%, very low inflation, and tensions with Russia over the crisis in Ukraine have stalled growth and caused equity markets to lag, prompting discussions of quantitative easing programs similar to those pursued in the U.S. and Japan. In China, evidence of overinvestment and inflating home prices has led to concerns over the ability to sustain its high growth rate.

The above average return this fiscal year was supported by good performance in all asset classes with fixed income being the only asset not to produce double digit returns. The domestic stock return of 25.14% marks its second best year in the previous fifteen fiscal years and while the international stock return of 21.65% was impressive this year, it marks the seventh consecutive year that international stocks have underperformed domestic stocks. Emerging market stocks lagged developed country stocks throughout calendar 2013 through March, 2014, and were a large contributor to the weaker performance of international stocks. The bond pool return of 5.21% was

INVESTMENT SECTION

an improvement over last year's 1.61%, as interest rates fell in the first and second quarter of this year causing price appreciation in the underlying bonds. Private equity posted its fifth straight year of double digit returns with a fiscal year return of 16.48%. This brings the five year annualized return to 15.9% and the ten year to an impressive 11.4%. The real estate pool continues to yield steady returns with this year's return of 11.65%. The five year annualized return for the real estate pool is now 5.4%, up from a five year return of negative 3.4% last fiscal year, due to the dropping off of the very weak fiscal year 2009 return.

Similar to last year, the bull market in public equities led to an increase in their allocation. U.S. stocks crept up by 0.9% to a 39.2% allocation despite sales made for rebalancing purposes, while international stocks increased by 1.2% to a 17.8% weight given their strong positive return and incremental purchases. Overall equity exposure did not change materially, however, as the private equity allocation decreased by 2% to 10.5% bringing the total equity exposure to 67.5%. The decline in private equity reflected a secondary sale from our portfolio and heavy cash distributions from underlying fund investments. Changes in the allocations to fixed income, real estate, and cash were negligible and ended at 21.7%, 8.7%, and 2.1% respectively at the end of this fiscal year. The fixed income weight was slightly below its range, despite ongoing purchases over the past year, mostly because of the relative strength of equity assets that acted to dilute the weight in bonds. Allocation ranges were reviewed and slightly amended last November. In summary, the changes were minor and did not materially change the mid-points of any asset class range. The liquidity posture and overall risk biases of the portfolio were not changed. It remains equity-centric in character, reflecting the long term return advantage of this asset class, balanced by asset classes providing diversification benefits, specifically fixed income and real estate.

The asset allocation changes mentioned above were made after an extensive analysis of the cash flows affecting the pension plans. While the PERS plan experiences net cash needed, meaning benefit outflows exceed contribution and portfolio income inflows, the amount remains quite manageable. The increase in contribution rates and allocation of coal severance tax revenues brought by house bill 454 reduced the net cash needed status meaningfully in fiscal year 2014 as compared to fiscal 2013. These additional contributions slightly reduce the liquidity demands of the plan and allow for an allocation mix designed to provide the long term return need of the plan while balancing the tradeoffs of implied risk and lower liquidity of some assets. In addition, while it cannot be assured over any one or two year period, asset growth over the long term due to positive returns has more than offset the net cash needed of the plan, easily covering the drawdowns even before considering the cash income of the plan.

The Federal Reserve is set to end its monthly purchases of Treasury and mortgage-backed securities this October after five years of using this extraordinary strategy in an effort to help improve the economy. Stocks have hit record highs under this program and its ending comes at a time when there still exist elements of weakness in the labor market. The next major decision for the Fed will be when to begin raising the federal funds target rate and ending its current zero interest rate policy. Market consensus now suggests the timing of such a move will fall around mid-2015, and in the meantime the parsing of Fed communications will remain intense given the importance of this event to global financial markets.

In contrast to the expected change from expansionary to contractionary monetary policies in the U.S., the European Central Bank (ECB) is considering using similar unconventional monetary policies as the Federal Reserve has used to stimulate its economy. The ECB has introduced negative deposit rates for banks storing cash with them, effectively charging them for refusing to take on the risk of making loans, and are planning to launch an asset backed security purchase program or quantitative easing.

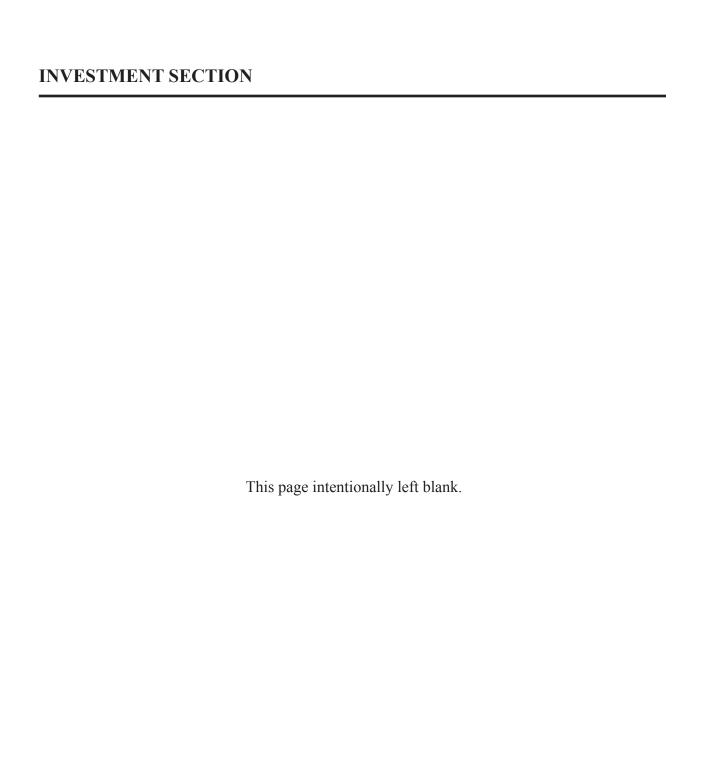
As of mid-September the fiscal year-to-date plan return has been a modest 0.7%. Gains in domestic equity holdings have been largely offset by declines in international stocks while fixed income returns have been mostly flat. Most of the year—to-date return has come from positive performance from the private equity and real estate holdings.

With the recently dynamic landscape of monetary policies in both the U.S. and in Europe, financial markets have been and will likely continue to be particularly sensitive to the actions and expectations of the world's major central banks. In addition, recent geopolitical risks brought on by the tensions in Ukraine and the Middle East could be a further source of market volatility due to the uncertainty such situations create. Given these uncertainties and the strong recovery in stocks during the bull market, our portfolio performance outlook is more muted now. Nevertheless, our long term outlook remains positive for the economy and the majority of asset classes held in the portfolio given the prospect for an ongoing low inflationary period of positive growth.

Respectfully submitted,

/s/ Clifford A. Sheets

Clifford A. Sheets, CFA Chief Investment Officer Montana Board of Investments



A Component Unit of the State of Montana

Report on Investment Activity

Introduction

The Montana Constitution and various Montana statutes govern the investment activity of the retirement funds administered by the Public Employees' Retirement Board (PERB). The "prudent expert principle" contained in the Montana Constitution and Montana statute, requires the fiduciaries of the funds, including the Montana Board of Investments (BOI), to discharge their duties in the same manner that a prudent expert acting in a fiduciary capacity with the same resources, familiar with like matters, and under the same circumstances, exercises in the conduct of an enterprise of a similar character with similar objectives.

The prudent expert principle permits diversification of the holdings of the fund to minimize the risk of loss and maximize the rate of return. The opportunity to diversify among various asset classes enables a fund to reduce volatility and increase returns.

The BOI prepares and provides information related to the defined benefit plan investments for the PERB. The Montana Public Employee Retirement Administration (MPERA), staff of the PERB, is responsible for the presentation of the report of investment activity.

INVESTMENT GOALS AND OBJECTIVES

The basic goals influencing the investment activity for the PERB are two-fold. The first is to realize compound rates of return sufficient to fund benefits as provided for in statute. The second is to provide services at the lowest possible cost to employers and members.

The basic investment objective of the BOI is the achievement of a total rate of return greater than the assumed actuarial return over the long term. In addition, the BOI will seek to outperform the appropriate market benchmarks for each asset class over time and provide returns comparable to those attained by similar public fund peers.

To calculate the PERB's defined benefit plan investment returns, State Street Bank, BOI's custodial bank and an independent third party, uses the time-weighted total rate of return method.

RISK TOLERNACE

In view of the long time horizon of the pension plans, subject to the need for sufficient liquidity to pay benefits, all funds have an above-average ability to assume risk.

INVESTMENT MANAGMENT AND RESULTS

The funds of each defined benefit system are invested by the BOI as part of the unified investment program. The portfolio is broadly diversified between the various asset classes including but not limited to stocks, bonds, real estate, and private equity. A complete list of portfolio information is available through the BOI. State Street Bank compiles the rates of return for the investments. The total rates of return for fiscal year 2014 are reported by the BOI for each defined benefit fund. The following tables are a summary of the information received from the BOI.

TOTAL RATES OF RETURN BY ASSET CLASS

12-Month Period ending June 30, 2014

Asset Class	INDEX	PERS- DBRP	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		0.14%	0.14%	0.15%	0.14%
Libor 1 Month	0.17%				
Equities ¹		24.03%	24.03%	24.03%	24.03%
S&P 1500 Comp Index	24.70%				
International Equities ²	21.99%				
Fixed Income ³		5.21%	5.21%	5.21%	5.21%
BC Aggregate Bond Index	4.37%				
Private Equity⁴		16.48%	16.48%	16.48%	16.48%
S&P 1500 + 4% ⁵	28.70%				
Real Estate ⁶		11.65%	11.65%	11.65%	11.65%
NFI-ODCE7	12.74%				
Total Plan		17.16%	17.16%	17.17%	17.14%
Index Composite ⁸		18.15%	18.14%	18.16%	18.13%
Asset Class	<u>INDEX</u>	<u>GWPORS</u>	MPORS	<u>FURS</u>	VFCA
Asset Class Cash Equivalents (STIP)	<u>INDEX</u>	GWPORS 0.14%	MPORS 0.14%	FURS 0.15%	VFCA 0.14%
	<u>INDEX</u> 0.17%				
Cash Equivalents (STIP)					
Cash Equivalents (STIP) Libor 1 Month		0.14%	0.14%	0.15%	0.14%
Cash Equivalents (STIP) Libor 1 Month Equities¹	0.17%	0.14%	0.14%	0.15%	0.14%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index	0.17%	0.14%	0.14%	0.15%	0.14%
Cash Equivalents (STIP) Libor 1 Month Equities¹ \$&P 1500 Comp Index International Equities²	0.17%	0.14%	0.14%	0.15%	0.14% 24.05%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³	0.17% 24.70% 21.99%	0.14%	0.14%	0.15%	0.14% 24.05%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index	0.17% 24.70% 21.99%	0.14% 24.03% 5.21%	0.14% 24.04% 5.21%	0.15% 24.04% 5.21%	0.14% 24.05% 5.20%
Cash Equivalents (STIP) Libor 1 Month Equities¹ \$&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴	0.17% 24.70% 21.99% 4.37%	0.14% 24.03% 5.21%	0.14% 24.04% 5.21%	0.15% 24.04% 5.21%	0.14% 24.05% 5.20%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵	0.17% 24.70% 21.99% 4.37%	0.14% 24.03% 5.21% 16.48%	0.14% 24.04% 5.21% 16.48%	0.15% 24.04% 5.21% 16.48%	0.14% 24.05% 5.20% 16.49%
Cash Equivalents (STIP) Libor 1 Month Equities¹ \$&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ \$&P 1500 + 4%⁵ Real Estate⁶	0.17% 24.70% 21.99% 4.37% 28.70%	0.14% 24.03% 5.21% 16.48%	0.14% 24.04% 5.21% 16.48%	0.15% 24.04% 5.21% 16.48%	0.14% 24.05% 5.20% 16.49%

¹ Return is a dollar weighted combination of Domestic and International Common Stock held in the Montana Domestic and Montana International Equity Pools.

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

² Montana International Equity blended benchmark.

³ Retirement Fund Bond Pool.

⁴ Montana Private Equity Pool.

⁵ The S&P 1500 + 4% is lagged one quarter to reflect the lagged valuation nature of private equity investments.

⁶ Montana Real Estate Pool.

⁷ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, net of fee, time-weighted return index and includes property investments at ownership share, cash balances and leverage. This index is lagged one quarter to reflect the lagged valuation nature of private real estate investments.

⁸ An Index Composite paralleling the Fund's Asset Allocation at market value.

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Three-Year Period ending June 30, 2014

Asset Class	<u>INDEX</u>	PERS- DBRP	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP)		0.23%	0.23%	0.23%	0.23%
Libor 1 Month	0.21%				
Equities ¹		12.78%	12.79%	12.78%	12.79%
S&P 1500 Comp Index	16.48%				
International Equities ²	5.80%				
Fixed Income ³		4.93%	4.93%	4.93%	4.93%
BC Aggregate Bond Index	3.66%				
Private Equity ⁴		13.34%	13.34%	13.34%	13.34%
S&P 1500 + 4% ⁵	20.48%				
Real Estate ⁶		10.54%	10.54%	10.54%	10.54%
NFI-ODCE ⁷	11.99%		10.0170	10.0170	10.0170
Total Plan		10.70%	10.68%	10.69%	10.67%
Index Composite ⁸		11.31%	11.29%	11.31%	11.29%
Asset Class	INDEX	<u>GWPORS</u>	MPORS	<u>FURS</u>	VFCA
Cash Equivalents (STIP)		GWPORS 0.23%	MPORS 0.23%	FURS 0.23%	VFCA 0.23%
	<u>INDEX</u> 0.21%				
Cash Equivalents (STIP)					
Cash Equivalents (STIP) Libor 1 Month		0.23%	0.23%	0.23%	0.23%
Cash Equivalents (STIP) Libor 1 Month Equities ¹	0.21%	0.23%	0.23%	0.23%	0.23%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index	0.21%	0.23%	0.23%	0.23%	0.23%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities²	0.21%	0.23%	0.23%	0.23%	0.23% 12.79%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index	0.21% 16.48% 5.80%	0.23% 12.79% 4.93%	0.23% 12.78% 4.93%	0.23%	0.23% 12.79% 4.93%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³	0.21% 16.48% 5.80%	0.23%	0.23%	0.23%	0.23% 12.79%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵	0.21% 16.48% 5.80% 3.66%	0.23% 12.79% 4.93% 13.34%	0.23% 12.78% 4.93% 13.34%	0.23% 12.79% 4.93% 13.34%	0.23% 12.79% 4.93% 13.34%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵ Real Estate⁶	0.21% 16.48% 5.80% 3.66% 20.48%	0.23% 12.79% 4.93%	0.23% 12.78% 4.93%	0.23%	0.23% 12.79% 4.93%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵ Real Estate⁶ NFI-ODCE7	0.21% 16.48% 5.80% 3.66%	0.23% 12.79% 4.93% 13.34%	0.23% 12.78% 4.93% 13.34% 10.54%	0.23% 12.79% 4.93% 13.34% 10.54%	0.23% 12.79% 4.93% 13.34% 10.55%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵ Real Estate⁶	0.21% 16.48% 5.80% 3.66% 20.48%	0.23% 12.79% 4.93% 13.34%	0.23% 12.78% 4.93% 13.34%	0.23% 12.79% 4.93% 13.34%	0.23% 12.79% 4.93% 13.34%

¹ Return is a dollar weighted combination of Domestic and International Common Stock held in the Montana Domestic and Montana International Equity Pools.

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

² Montana International Equity blended benchmark.

³ Retirement Fund Bond Pool.

⁴ Montana Private Equity Pool.

⁵ The S&P 1500 + 4% is lagged one quarter to reflect the lagged valuation nature of private equity investments.

⁶Montana Real Estate Pool.

⁷ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, net of fee, time-weighted return index and includes property investments at ownership share, cash balances and leverage. This index is lagged one quarter to reflect the lagged valuation nature of private real estate investments.

⁸ An Index Composite paralleling the Fund's Asset Allocation at market value.

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Five-Year Period ending June 30, 2014

Asset Class	INDEX	PERS- DBRP	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP) Libor 1 Month	0.23%	0.27%	0.27%	0.27%	0.27%
Equities ¹	0.2376	16.52%	16.53%	16.52%	16.52%
S&P 1500 Comp Index International Equities ²	19.18% 11.35%				
Fixed Income ³ BC Aggregate Bond Index	4.85%	7.06%	7.10%	7.10%	7.10%
Private Equity ⁴	4.05%	15.90%	15.90%	15.91%	15.90%
S&P 1500 + 4% ⁵⁵	23.18%				
Real Estate ⁶ NFI-ODCE ⁷	6.31%	5.63%	5.38%	5.38%	5.38%
Total Plan Index Composite ⁸		13.27% 13.99%	13.24% 13.95%	13.29% <i>14.00%</i>	13.22% 13.93%
mack composite		1010070	1010070	1110070	
Asset Class	INDEX	<u>GWPORS</u>	MPORS	<u>FURS</u>	VFCA
•	<u>INDEX</u> 0.23%				
Asset Class Cash Equivalents (STIP) Libor 1 Month Equities ¹	0.23%	<u>GWPORS</u>	MPORS	<u>FURS</u>	VFCA
Asset Class Cash Equivalents (STIP) Libor 1 Month		GWPORS 0.27%	MPORS 0.27%	FURS 0.27%	VFCA 0.27%
Asset Class Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³	0.23% 19.18% 11.35%	GWPORS 0.27%	MPORS 0.27%	FURS 0.27%	VFCA 0.27%
Asset Class Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴	0.23%	GWPORS 0.27% 16.53%	MPORS 0.27% 16.51%	FURS 0.27% 16.51%	VFCA 0.27% 16.51%
Asset Class Cash Equivalents (STIP) Libor 1 Month Equities¹ \$&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ \$&P 1500 + 4%⁵ Real Estate6	0.23% 19.18% 11.35% 4.85% 23.18%	GWPORS 0.27% 16.53% 7.10%	MPORS 0.27% 16.51% 7.10%	FURS 0.27% 16.51% 7.10%	VFCA 0.27% 16.51% 7.10%
Asset Class Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁴ S&P 1500 + 4%⁵	0.23% 19.18% 11.35% 4.85%	GWPORS 0.27% 16.53% 7.10% 15.90%	MPORS 0.27% 16.51% 7.10% 15.91%	FURS 0.27% 16.51% 7.10% 15.91%	VFCA 0.27% 16.51% 7.10% 15.92%

¹ Return is a dollar weighted combination of Domestic and International Common Stock held in the Montana Domestic and Montana International Equity Pools.

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

² Montana International Equity blended benchmark.

³ Retirement Fund Bond Pool.

⁴ Montana Private Equity Pool.

⁵ The S&P 1500 + 4% is lagged one quarter to reflect the lagged valuation nature of private equity investments.

⁶ Montana Real Estate Pool.

⁷ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, net of fee, time-weighted return index and includes property investments at ownership share, cash balances and leverage. This index is lagged one quarter to reflect the lagged valuation nature of private real estate investments.

⁸ An Index Composite paralleling the Fund's Asset Allocation at market value.

TOTAL RATES OF ANNUALIZED RETURNS BY ASSET CLASS

Ten-Year Period ending June 30, 2014

Asset Class	<u>INDEX</u>	PERS- DBRP	<u>JRS</u>	<u>HPORS</u>	<u>SRS</u>
Cash Equivalents (STIP) Libor 1 Month	1.88%	1.94%	1.91%	1.93%	1.91%
Equities ¹ S&P 1500 Comp Index International Equities ²	8.09% 7.47%	7.11%	7.11%	7.11%	7.11%
Fixed Income ³ BC Aggregate Bond Index	4.93%	5.95%	5.94%	5.95%	5.94%
Private Equity ⁴ S&P 1500 + 4% ⁵	12.09%	11.39%	11.39%	11.39%	11.39%
Real Estate ⁶ NFI-ODCE ⁷	6.18%	2.10%			
Total Plan Index Composite ⁸		6.95% 7.06%	6.94% 7.04%	6.95% 7.06%	6.92% 7.04%
•					
Asset Class	<u>INDEX</u>	<u>GWPORS</u>	MPORS	<u>FURS</u>	<u>VFCA</u>
Asset Class Cash Equivalents (STIP) Libor 1 Month	<u>INDEX</u> 1.88%	GWPORS 1.90%	MPORS 2.32%	FURS 1.95%	VFCA 1.99%
Cash Equivalents (STIP)					
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index	1.88% 8.09%	1.90%	2.32%	1.95%	1.99%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³	1.88% 8.09% 7.47%	1.90% 7.13%	2.32% 7.10%	7.11%	1.99% 7.13%
Cash Equivalents (STIP) Libor 1 Month Equities¹ S&P 1500 Comp Index International Equities² Fixed Income³ BC Aggregate Bond Index Private Equity⁵	1.88% 8.09% 7.47% 4.93%	1.90% 7.13% 5.93%	2.32% 7.10% 5.94%	7.11% 5.94%	1.99% 7.13% 5.95%

¹ Return is a dollar weighted combination of Domestic and International Common Stock held in the Montana Domestic and Montana International Equity Pools.

The rates of return are provided by State Street Bank, the BOI's custodial bank for the plans, and are reported net of all management fees and expenses.

² Montana International Equity blended benchmark.

³ Retirement Fund Bond Pool.

⁴ Montana Private Equity Pool.

⁵ The S&P 1500 + 4% is lagged one quarter to reflect the lagged valuation nature of private equity investments.

⁶ Montana Real Estate Pool.

⁷ The NFI-ODCE (NCREIF Fund Index - Open-End Diversified Core Equity) is a fund-level capitalization weighted, net of fee, time-weighted return index and includes property investments at ownership share, cash balances and leverage. This index is lagged one quarter to reflect the lagged valuation nature of private real estate investments.

 $^{^{\}rm 8}$ An Index Composite paralleling the Fund's Asset Allocation at market value.

ASSET ALLOCATION

Asset allocation is the main determinant of investment returns, and will therefore impact the BOI's success in meeting long-term investment objectives. The asset allocation table below represents a diversified mix of asset classes designed to meet the long-term return needs of the plans while balancing

this objective with risk and liquidity considerations. The actual asset mix as of fiscal year end 2014 is listed in the following table along with the approved allocation ranges for the short term investment pool (STIP), fixed income investments, total equity investments, and real estate investments.

	FY2	2014 ASSET	TALLOCATION	J	
	Allocation Range	Actual Investment		Allocation Range	Actual Investment
PERS-DBRP STIP Fixed	1% to 5% 22% to 30%	2.10% 21.70%	GWPORS STIP Fixed	1% to 5% 22% to 30%	2.57% 21.58%
Equity Real Estate	58% to 72% 6% to 10%	67.52% 8.68%	Equity Real Estate	58% to 72% 6% to 10%	67.21% 8.64%
JRS STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	2.31% 21.65% 67.37% 8.67%	MPORS STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	1.97% 21.73% 67.60% 8.70%
HPORS STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	2.06% 21.72% 67.55% 8.67%	FURS STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	2.05% 21.72% 67.55% 8.68%
SRS STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	2.46% 21.62% 67.26% 8.66%	VFCA STIP Fixed Equity Real Estate	1% to 5% 22% to 30% 58% to 72% 6% to 10%	7.00% 20.61% 64.09% 8.30%

PERS-DCRP DISABILITY OPEB

After FY2014, a plan was initiated to further diversity the assets of the PERS-DCRP Disability OPEB into longer term asset classes with potentially higher returns over time.

MPERA and BOI have begun work to further diversity of the PERS-DCRP Disability OPEB assets with this objective and actions will be taken as soon as administratively possible.

INVESTMENT FEES AND COMMISSIONS

Throughout the fiscal year, the investment expense for certain investments (pools, real estate) are netted against the investment earnings. At year end, investment earnings are

"grossed up" to report the investment expense for the external manager, custodial bank fees and the BOI administrative cost. This process was implemented July 1, 1995, in compliance with GASB Statement No. 25.

			Fiscal 20	14 Administrat	tive Expense I	Reconciliation		
		STIP	MDEP	<u>MPEP</u>	<u>MTIP</u>	<u>MTRP</u>	RFBP	<u>Total</u>
PERS	\$	206,705.30	\$ 6,587,093.10	\$ 11,325,554.10	\$2,319,043.90	\$ 5,216,560.08	\$1,208,301.58 \$	26,863,258.06
JRS		3,696.42	111,701.91	191,982.02	39,367.64	88,559.50	20,482.59	455,790.08
HPORS		5,103.23	168,047.14	288,995.21	59,190.94	133,167.81	30,825.95	685,330.28
SRS		12,847.03	376,134.15	645,782.98	132,684.05	297,841.07	68,959.05	1,534,248.33
GWPORS		6,364.78	180,861.83	310,032.66	63,991.83	143,279.93	33,116.11	737,647.14
MPORS		12,733.56	406,967.04	697,846.87	143,715.62	323,961.99	74,713.54	1,659,938.62
FURS		13,013.76	409,210.68	701,638.94	144,609.47	325,485.69	75,104.35	1,669,062.89
VFCA		1,499.11	43,280.94	74,743.38	15,102.95	33,936.09	7,900.26	176,462.73
Totals	_\$	261,963.19	\$ 8,283,296.79	<u>\$ 14,236,576.16</u>	\$ 2,917,706.40	<u>\$ 6,562,792.16</u>	<u>\$ 1,519,403.43</u> <u>\$</u>	33,781,738.13

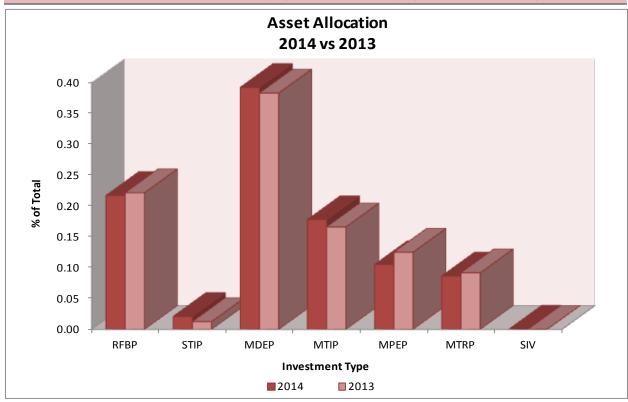
PERS-DBRP

Asset Mix (fair value)

as of June 30, 2014 and 2013

(in thousands)

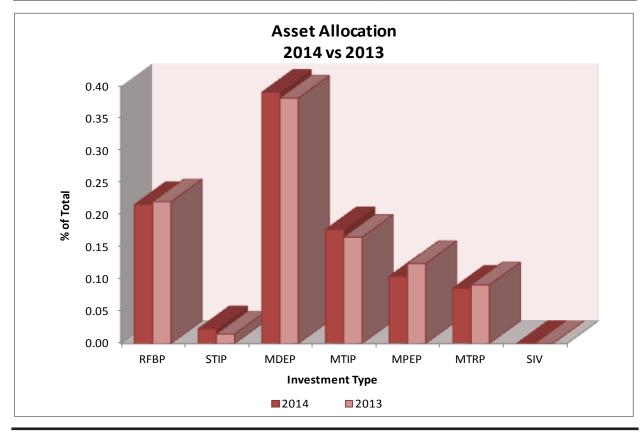
	2014	% of	2013	% of	Dollar	%
Investment Type	Fair Value	Total	Fair Value	Total	Change	Change
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 1,069,517	21.70%	\$ 950,298	22.14%	\$ 119,219	12.55%
STIP ¹	103,602	2.10%	54,005	1.26%	49,597	91.84%
Total Fixed Income	\$ 1,173,119	23.80%	\$ 1,004,303	23.40%	\$ 168,816	16.81%
Equities:						
Montana Domestic Equity Pool (MDEP)	\$ 1,933,145	39.22%	\$ 1,643,009	38.30%	\$ 290,136	17.66%
Montana International Equity Pool (MTIP)	877,318	17.79%	712,587	16.60%	164,731	23.12%
Montana Private Equity Pool (MPEP)	517,873	10.51%	536,542	12.51%	(18,669)	-3.48%
Total Equities	\$ 3,328,336	67.52%	\$ 2,892,138	67.41%	\$ 436,198	15.08%
Alternative Investments:						
Montana Real Estate Pool (MTRP)	\$ 426,528	8.65%	\$ 393,155	9.16%	\$ 33,373	8.49%
Structured Investment Vehicles (SIV) ¹	1,148	0.03%	710	0.03%	438	61.69%
Total Alternative Investments	\$ 427,676	8.68%	\$ 393,865	9.19%	\$ 33,811	8.58%
Total	\$ 4,929,131	100.00%	\$ 4,290,306	100.00%	\$ 638,825	14.89%



¹These figures only include those of the Defined Benefit Retirement Plan, whereas the financial statements include the Defined Benefit Retirement Plan and the Defined Benefit Education Program.

JRS
Asset Mix (fair value)
as of June 30, 2014 and 2013
(in thousands)

		2014	% of		2013	% of	I	Dollar	%
Investment Type	Fa	ir Value	Total	Fa	air Value	Total	С	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	18,164	21.65%	\$	16,034	22.08%	\$	2,130	13.28%
STIP		1,940	2.31%		1,085	1.49%		855	78.80%
Total Fixed Income	\$	20,104	23.96%	\$	17,119	23.57%	\$	2,985	17.44%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	32,822	39.13%	\$	27,759	38.22%	\$	5,063	18.24%
Montana International Equity Pool (MTIP)		14,901	17.76%		12,036	16.57%		2,865	23.80%
Montana Private Equity Pool (MPEP)		8,796	10.48%		9,064	12.48%		(268)	-2.96%
Total Equities	\$	56,519	67.37%	\$	48,859	67.27%	\$	7,660	15.68%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	7,251	8.64%	\$	6,641	9.14%	\$	610	9.19%
Structured Investment Vehicles (SIV)		22	0.03%		14	0.02%		8	57.14%
Total Alternative Investments	\$	7,273	8.67%	\$	6,655	9.16%	\$	618	9.29%
Total	\$	83,896	100.00%	\$	72,633	100.00%	\$	11,263	15.51%

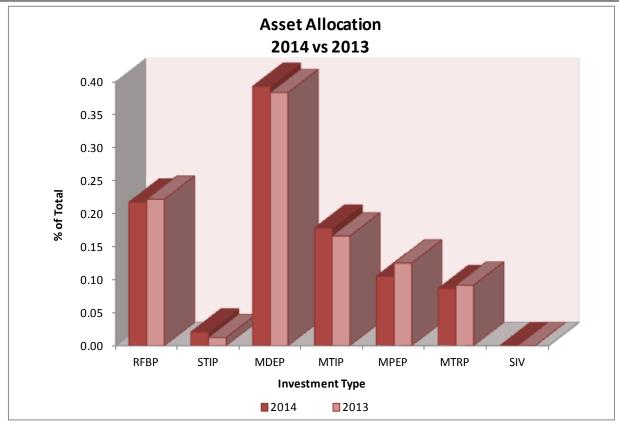


INVESTMENT SECTION

HPORS

Asset Mix (fair value) as of June 30, 2014 and 2013

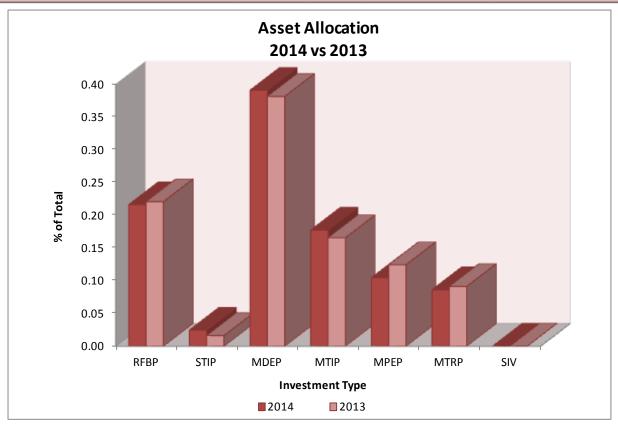
		2014	% of		2013	% of	-	Dollar	%
Investment Type	Fa	air Value	Total	F	air Value	Total	С	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	27,240	21.72%	\$	24,239	22.16%	\$	3,001	12.38%
STIP		2,585	2.06%		1,355	1.24%		1,230	90.77%
Total Fixed Income	\$	29,825	23.78%	\$	25,594	23.40%	\$	4,231	16.53%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	49,217	39.24%	\$	41,883	38.31%	\$	7,334	17.51%
Montana International Equity Pool (MTIP)		22,336	17.80%		18,165	16.61%		4,171	22.96%
Montana Private Equity Pool (MPEP)		13,184	10.51%		13,673	12.50%		(489)	-3.58%
Total Equities	\$	84,737	67.55%	\$	73,721	67.42%	\$	11,016	14.94%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	10,862	8.65%	\$	10,031	9.16%	\$	831	8.28%
Structured Investment Vehicles (SIV)		29	0.02%		18	0.02%		11	61.11%
Total Real Estate	\$	10,891	8.67%	\$	10,049	9.18%	\$	842	8.38%
Total	\$	125,453	100.00%	\$	109,364	100.00%	\$	16,089	14.71%



SRSAsset Mix (fair value)

as of June 30, 2014 and 2013

		2014	% of		2013	% of	Dollar	%
Investment Type	F	air Value	Total	Fa	air Value	Total	 hange	Change
Fixed Income:								
Retirement Funds Bond Pool (RFBP)	\$	61,417	21.62%	\$	53,724	22.06%	\$ 7,693	14.32%
STIP		6,984	2.46%		3,986	1.64%	2,998	75.21%
Total Fixed Income	\$	68,401	24.08%	\$	57,710	23.70%	\$ 10,691	18.53%
Equities:								
Montana Domestic Equity Pool (MDEP)	\$	110,982	39.08%	\$	92,868	38.14%	\$ 18,114	19.51%
Montana International Equity Pool (MTIP)		50,346	17.73%		40,321	16.56%	10,025	24.86%
Montana Private Equity Pool (MPEP)		29,720	10.45%		30,325	12.44%	(605)	-2.00%
Total Equities	\$	191,048	67.26%	\$	163,514	67.14%	\$ 27,534	16.84%
Alternative Investments:								
Montana Real Estate Pool (MTRP)	\$	24,475	8.63%	\$	22,245	9.14%	\$ 2,230	10.02%
Structured Investment Vehicles (SIV)		77	0.03%		52	0.02%	25	48.08%
Total Alternative Investments	\$	24,552	8.66%	\$	22,297	9.16%	\$ 2,255	10.11%
Total	\$	284,001	100.00%	\$	243,521	100.00%	\$ 40,480	16.62%

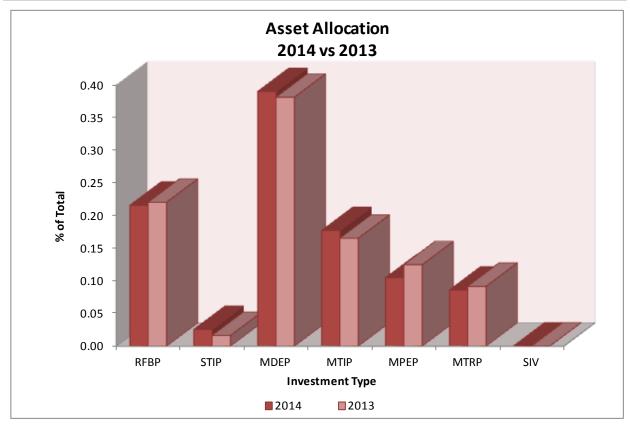


INVESTMENT SECTION

GWPORS

Asset Mix (fair value) as of June 30, 2014 and 2013

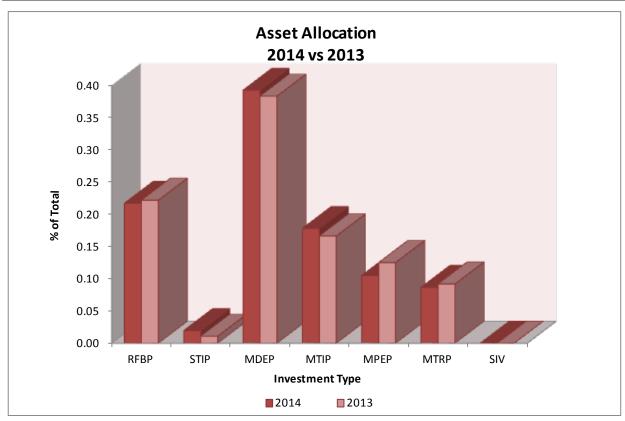
		2014	% of		2013	% of		Dollar	%
Investment Type	F	air Value	Total	F	air Value	Total	C	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	29,848	21.58%	\$	25,466	22.04%	\$	4,382	17.21%
STIP		3,546	2.57%		1,896	1.64%		1,650	87.03%
Total Fixed Income	\$	33,394	24.15%	\$	27,362	23.68%	\$	6,032	22.05%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	53,925	39.01%	\$	44,058	38.12%	\$	9,867	22.40%
Montana International Equity Pool (MTIP)		24,482	17.71%		19,106	16.53%		5,376	28.14%
Montana Private Equity Pool (MPEP)		14,481	10.49%		14,411	12.48%		70	0.49%
Total Equities	\$	92,888	67.21%	\$	77,575	67.13%	\$	15,313	19.74%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	11,906	8.61%	\$	10,600	9.17%	\$	1,306	12.32%
Structured Investment Vehicles (SIV)		39	0.03%		25	0.02%		14	56.00%
Total Alternative Investments	\$	11,945	8.64%	\$	10,625	9.19%	\$	1,320	12.42%
Total	\$	138,227	100.00%	\$	115,562	100.00%	\$	22,665	19.61%



MPORS

Asset Mix (fair value) as of June 30, 2014 and 2013

		2014	% of		2013	% of		Dollar	%
Investment Type	Fa	air Value	Total	Fa	air Value	Total	С	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	66,377	21.73%	\$	57,237	22.19%	\$	9,140	15.97%
STIP		6,007	1.97%		2,819	1.09%		3,188	113.09%
Total Fixed Income	\$	72,384	23.70%	\$	60,056	23.28%	\$	12,328	20.53%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	119,961	39.27%	\$	98,916	38.35%	\$	21,045	21.28%
Montana International Equity Pool (MTIP)		54,440	17.82%		42,936	16.65%		11,504	26.79%
Montana Private Equity Pool (MPEP)		32,111	10.51%		32,305	12.52%		(194)	-0.60%
Total Equities	\$	206,512	67.60%	\$	174,157	67.52%	\$	32,355	18.58%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	26,516	8.68%	\$	23,681	9.19%	\$	2,835	11.97%
Structured Investment Vehicles (SIV)		67	0.02%		37	0.01%		30	81.08%
Total Alternative Investments	\$	26,583	8.70%	\$	23,718	9.20%	\$	2,865	12.08%
Total	\$	305,479	100.00%	\$	257,931	100.00%	\$	47,548	18.43%

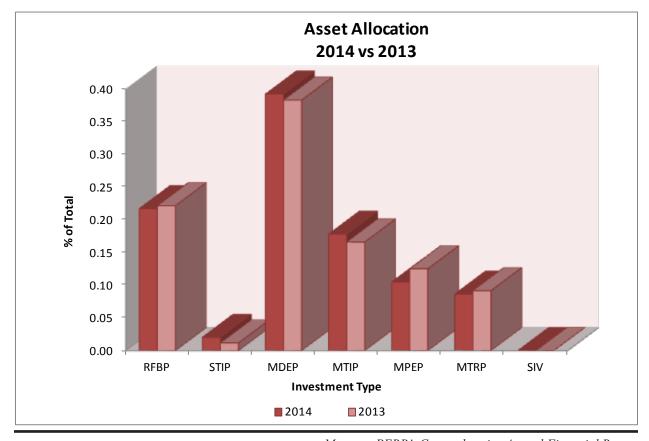


INVESTMENT SECTION

FURS

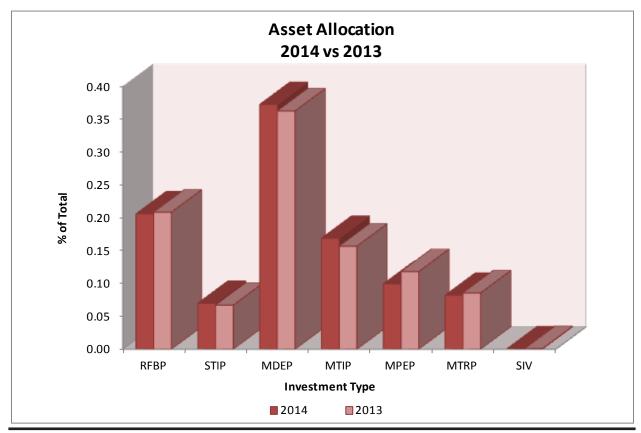
Asset Mix (fair value) as of June 30, 2014 and 2013

		2014	% of		2013	% of		Dollar	%
Investment Type	F	air Value	Total	Fa	air Value	Total	С	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	66,856	21.72%	\$	57,369	22.16%	\$	9,487	16.54%
STIP		6,327	2.05%		3,077	1.19%		3,250	105.62%
Total Fixed Income	\$	73,183	23.77%	\$	60,446	23.35%	\$	12,737	21.07%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	120,837	39.24%	\$	99,213	38.32%	\$	21,624	21.80%
Montana International Equity Pool (MTIP)		54,855	17.81%		43,017	16.61%		11,838	27.52%
Montana Private Equity Pool (MPEP)		32,332	10.50%		32,423	12.52%		(91)	-0.28%
Total Equities	\$	208,024	67.55%	\$	174,653	67.45%	\$	33,371	19.11%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	26,667	8.66%	\$	23,771	9.18%	\$	2,896	12.18%
Structured Investment Vehicles (SIV)		70	0.02%		40	0.02%		30	75.00%
Total Alternative Investments	\$	26,737	8.68%	\$	23,811	9.20%	\$	2,926	12.29%
Total	\$	307,944	100.00%	\$	258,910	100.00%	\$	49,034	18.94%



VFCA
Asset Mix (fair value)
as of June 30, 2014 and 2013

		2014	% of		2013	% of	[Dollar	%
Investment Type	Fa	ir Value	Total	Fa	air Value	Total	С	hange	Change
Fixed Income:									
Retirement Funds Bond Pool (RFBP)	\$	6,834	20.61%	\$	6,092	20.86%	\$	742	12.18%
STIP		2,322	7.00%		1,949	6.71%		373	19.14%
Total Fixed Income	\$	9,156	27.61%	\$	8,041	27.57%	\$	1,115	13.87%
Equities:									
Montana Domestic Equity Pool (MDEP)	\$	12,354	37.25%	\$	10,544	36.27%	\$	1,810	17.17%
Montana International Equity Pool (MTIP)		5,603	16.90%		4,559	15.68%		1,044	22.90%
Montana Private Equity Pool (MPEP)		3,297	9.94%		3,436	11.82%		(139)	-4.05%
Total Equities	\$	21,254	64.09%	\$	18,539	63.77%	\$	2,715	14.64%
Alternative Investments:									
Montana Real Estate Pool (MTRP)	\$	2,726	8.22%	\$	2,491	8.57%	\$	235	9.43%
Structured Investment Vehicles (SIV)		26	0.08%		26	0.09%		-	0.00%
Total Alternative Investments	\$	2,752	8.30%	\$	2,517	8.66%	\$	235	9.34%
Total	\$	33,162	100.00%	\$	29,097	100.00%	\$	4,065	13.97%



Public Employees' Retirement Board

A Component Unit of the State of Montana

Largest Holdings (by portfolio fair value) as of June 30, 2014

A complete list of the portfolio holdings can be obtained by contacting the Montana Board of Investments. The information below is PERB's presentation of the largest holdings.

Shares/Par	MDEP Portfolio By Manager	Fair Value
3,309,727	Blackrock Equity Index Fund	\$ 2,155,870,910
13,413,226	JP Morgan Investments	342,046,731
7,118,119	T Rowe Price	337,789,835
7,344,619	Timessquare	142,711,566
9,663,693	Artisan	139,089,966
2,780,612	Intech	120,625,258
3,692,915	Analytics Investments	120,175,458
40,730	Dimensional Fund Advisors Inc	88,621,109
2,128,589	Blackrock Midcap Equity Ind Fund	86,729,368
8,995,626	Vaughan Nelson	83,373,990

PERS' 8,153,858 shares represent 50.40% of the total MDEP portfolio at market. JRS' 138,441 shares represent 0.86% of the total MDEP portfolio at market. HPORS' 207,595 shares represent 1.28% of the total MDEP portfolio at market. SRS' 468,115 shares represent 2.89% of the total MDEP portfolio at market. GWPORS' 227,450 shares represent 1.41% of the total MDEP portfolio at market. MPORS' 505,986 shares represent 3.13% of the total MDEP portfolio at market. FURS' 509,681 shares represent 3.15% of the total MDEP portfolio at market. VFCA's 52,109 shares represent 0.32% of the total MDEP portfolio at market.

Shares/Par	RFBP Portfolio By Manager		Fair Value
1,545,832,386	Core Internal Bond Portfolio	\$ 1,	606,405,535
232,161,569	Reams Asset Management		236,429,110
107,717,149	Neuberger Berman		114,260,744
131,516,948	Aberdeen Asset Managment		110,438,683
59,806,599	Post Advisory Group		63,835,385
11,384,216	Montana Residential Mortgages		10,572,791
554,844	Short Term Investment Pool		554,844

PERS' 944,698,430 shares represent 49.92% of the total RFBP portfolio at market. JRS' 16,044,406 shares represent 0.85% of the total RFBP portfolio at market. HPORS' 24,061,152 shares represent 1.27% of the total RFBP portfolio at market. SRS' 54,249,211 shares represent 2.87% of the total RFBP portfolio at market. GWPORS' 26,364,269 shares represent 1.39% of the total RFBP portfolio at market. MPORS' 58,630,387 shares represent 3.10% of the total RFBP portfolio at market. FURS' 59,053,826 shares represent 3.12% of the total RFBP portfolio at market. VFCA's 6,036,187 shares represent 0.32% of the total RFBP portfolio at market.

Public Employees' Retirement Board

A Component Unit of the State of Montana

Largest Holdings (by portfolio fair value) as of June 30, 2014

Shares/Par	MTIP Portfolio By Manager	Fair Value
41,236,448	Blackrock ACWI EX US Superfund	\$ 1,026,453,503
13,185,447	Hansberger	121,358,959
11,492,733	Martin Currie	120,799,955
8,436,700	Bernstein	118,607,743
22,259,946	Acadian	112,979,031
4,236,795	DFA International Small Co	86,515,358
998,231	Blackrock MSCI EM Mkt Fr FD B	45,333,257
12,524,426	Templeton	41,963,166
5,837,933	American Century	30,625,672
2,534,559	Blackrock ACWI EX US Small Cap	29,692,886

PERS' 4,845,476 shares represent 50.20% of the total MTIP portfolio at market. JRS' 82,300 shares represent 0.85% of the total MTIP portfolio at market. HPORS' 123,364 shares represent 1.28% of the total MTIP portfolio at market. SRS' 278,063 shares represent 2.88% of the total MTIP portfolio at market. GWPORS' 135,214 shares represent 1.40% of the total MTIP portfolio at market. MPORS' 300,677 shares represent 3.12% of the total MTIP portfolio at market. FURS' 302,967 shares represent 3.14% of the total MTIP portfolio at market. VFCA's 30,946 shares represent 0.32% of the total MTIP portfolio at market.

123,391,875
73,810,309
59,736,303
53,755,452
39,908,422
31,907,954
30,910,502
28,932,437
28,304,134
26,041,198

PERS' 1,851,922 shares represent 50.21% of the total MPEP portfolio at market. JRS' 31,454 shares represent 0.85% of the total MPEP portfolio at market. HPORS' 47,146 shares represent 1.28% of the total MPEP portfolio at market. SRS' 106,280 shares represent 2.88% of the total MPEP portfolio at market. GWPORS' 51,786 shares represent 1.40% of the total MPEP portfolio at market. MPORS' 114,831 shares represent 3.11% of the total MPEP portfolio at market. FURS' 115,620 shares represent 3.13% of the total MPEP portfolio at market. VFCA's 11,791 shares represent 0.32% of the total MPEP portfolio at market.

INVESTMENT SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana Largest Holdings (by portfolio fair value

Largest Holdings (by portfolio fair value) as of June 30, 2014

Shares/Par	MTRP Portfolio By Manager	Fair Value
60,446	JP Morgan	\$ 134,616,221
7,373	UBS Realty Investors LLC	67,589,670
50,247,428	Angelo Gordon	52,037,900
47,272,699	DRA Advisors	50,062,273
41,903,135	Molpus Woodlands	47,382,221
87,934	TIAA CREF	42,706,973
309	Invesco Real Estate	41,872,336
22,295,930	CIM Fund	35,096,469
31,859,678	ABR Chesapeake	32,496,042
34,609,398	TA Associates Realty	31,501,482

PERS' 4,622,540 shares represent 50.71% of the total MTRP portfolio at market. JRS' 78,588 shares represent 0.86% of the total MTRP portfolio at market. HPORS' 117,717 shares represent 1.29% of the total MTRP portfolio at market. SRS' 265,252 shares represent 2.91% of the total MTRP portfolio at market. GWPORS' 129,028 shares represent 1.42% of the total MTRP portfolio at market. MPORS' 287,373 shares represent 3.15% of the total MTRP portfolio at market. FURS' 289,007 shares represent 3.17% of the total MTRP portfolio at market. VFCA's 29,547 shares represent 0.32% of the total MTRP portfolio at market.



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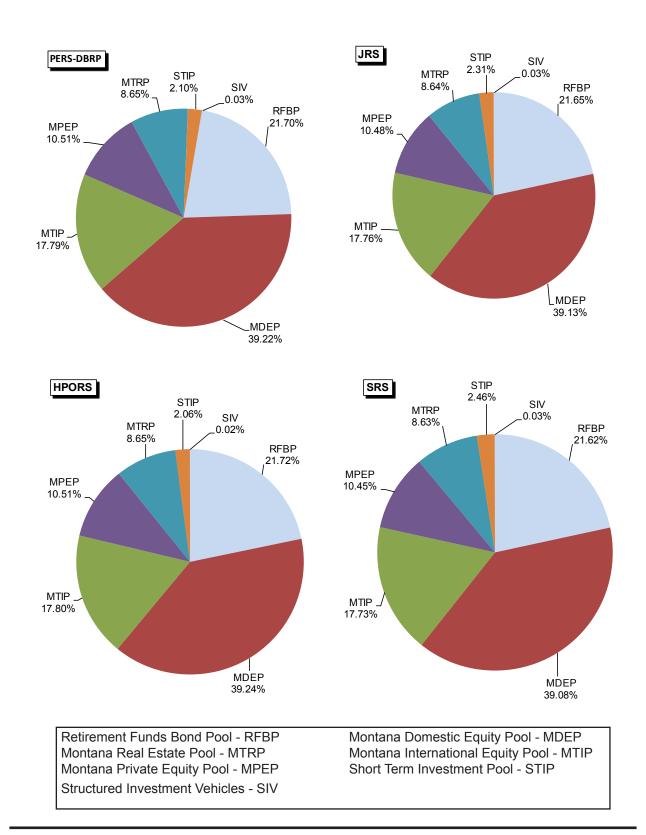
INVESTMENT SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana Investment Summary as of June 30, 2014 (in thousands)

	PERS-DB	RP	JRS		HPORS			SRS		
	%	of Total		(% of Total	c	% of Total		9	% of Total
	Fair	Fair		Fair	Fair	Fair	Fair		Fair	Fair
Type of Investment	Value	Value		Value	Value	 Value	Value		Value	Value
Fixed Income										
Retirement Funds Bond Pool	\$ 1,069,517	21.70%	\$	18,164	21.65%	\$ 27,240	21.72%	\$	61,417	21.62%
Equities										
Montana Domestic Equity Pool	1,933,145	39.22%		32,822	39.13%	49,217	39.24%		110,982	39.08%
Montana International Equity Pool	877,318	17.79%		14,901	17.76%	22,336	17.80%		50,346	17.73%
Montana Private Equity Pool	517,873	10.51%		8,796	10.48%	13,184	10.51%		29,720	10.45%
Alternative Investments										
Montana Real Estate Pool	426,528	8.65%		7,251	8.64%	10,862	8.65%		24,475	8.63%
Structured Investment Vehicles ¹	1,148	0.03%		22	0.03%	29	0.02%		77	0.03%
Short Term Investments										
Short Term Investment Pool ¹	 103,602	2.10%		1,940	2.31%	2,585	2.06%		6,984	2.46%
Total	\$ 4,929,131	100.00%	\$	83,896	100.00%	\$ 125,453	100.00%	\$	284,001	100.00%

¹ These figures only include those of the Defined Benefit Retirement Plan, whereas the financial statements include the total in the Defined Benefit Retirement Plan and the Defined Benefit Education Program.

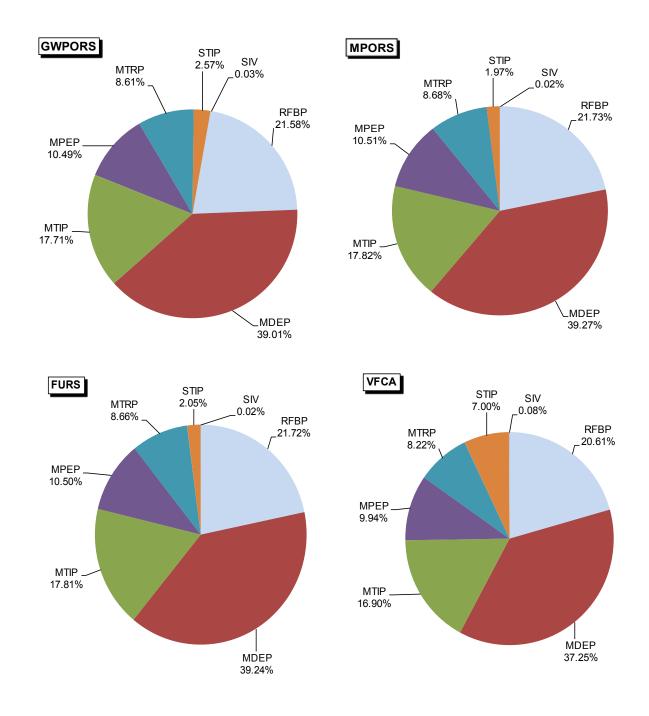


INVESTMENT SECTION

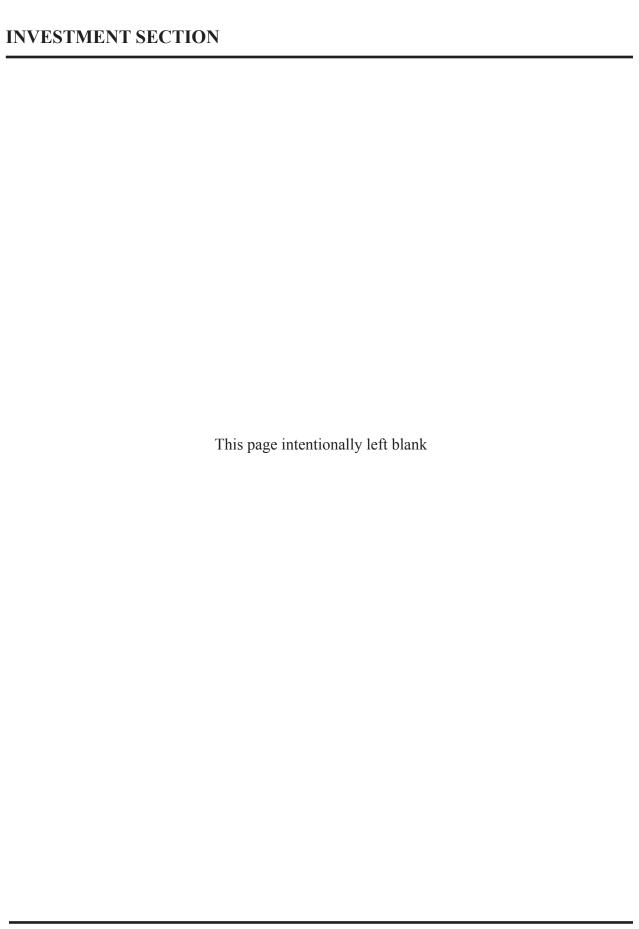
Public Employees' Retirement Board

A Component Unit of the State of Montana Investment Summary as of June 30, 2014 (in thousands)

	GWPORS		MPC	MPORS		FURS			VFCA		
		% of Total		% of Total		% of Total		(% of Total		
	Fair	Fair	Fair	Fair	Fair	Fair	F	air	Fair		
Type of Investment	Value	Value	Value	Value	Value	Value	Va	lue	Value		
Fixed Income											
Retirement Funds Bond Pool	\$ 29,8	48 21.58%	\$ 66,377	21.73%	\$ 66,856	21.72%	\$	6,834	20.61%		
Equities											
Montana Domestic Equity Pool	53,9	25 39.01%	119,961	39.27%	120,837	39.24%	1	12,354	37.25%		
Montana International Equity Pool	24,4	82 17.71%	54,440	17.82%	54,855	17.81%		5,603	16.90%		
Montana Private Equity Pool	14,4	81 10.49%	32,111	10.51%	32,332	10.50%		3,297	9.94%		
Alternative Investments											
Montana Real Estate Pool	11,9	06 8.61%	26,516	8.68%	26,667	8.66%		2,726	8.22%		
Structured Investment Vehicles		39 0.03%	67	0.02%	70	0.02%		26	0.08%		
Short Term Investments											
Short Term Investment Pool	3,5	46 2.57%	6,007	1.97%	6,327	2.05%		2,322	7.00%		
Total	\$ 138,2	27 100.00%	\$ 305,479	100.00%	\$ 307,944	100.00%	\$ 3	33,162	100.00%		



Retirement Funds Bond Pool - RFBP Montana Real Estate Pool - MTRP Montana Private Equity Pool - MPEP Structured Investment Vehicles - SIV Montana Domestic Equity Pool - MDEP Montana International Equity Pool - MTIP Short Term Investment Pool - STIP





There are many biking opportunities in Montana, ranging from easy to challenging.





Floating the rivers is a popular summer pastime for people of all ages. There are many rivers in Montana with sections that make for excellent floating.



Classic Values, Innovative Advice

October 24, 2014

Public Employees' Retirement Board 100 North Park Avenue, Suite 200 Helena, Montana 59620

Dear Members of the Board:

At your request, we have conducted the June 30, 2014 annual actuarial valuation for each of the eight funded pension programs administered by the Public Employees' Retirement Board.

Valuation Results

The funding objective for each System is to pay the Normal Cost plus an amount that would amortize the Unfunded Actuarial Liability over a period of not more than 30 years. The member, employer, and state contributions are set forth in statute. Our findings indicate the projected income stream from the expected contributions will be sufficient to pay the Normal Costs and amortize the Unfunded Actuarial Liability as a level percentage of future payroll for the following four Systems. The amortization periods are shown below.

•	Public Employees' Retirement System (PERS)	29.3 years
•	Highway Patrol Officers' Retirement System (HPORS)	30.3 years
•	Municipal Police Officers' Retirement System (MPORS)	19.6 years
•	Firefighters' Unified Retirement System (FURS)	11.3 years

The amortization periods above are based upon the Actuarial Value of Assets which recognizes investment gains and losses over a four-year period. If the Market Value of Assets had been used, the amortization periods above would have been 19.8, 23.9, 16.5, and 9.0 years respectively.

For two of the Systems, our findings indicate the projected income stream from the expected contributions will be sufficient to pay the Normal Costs, but will not be sufficient to amortize the Unfunded Actuarial Liability.

- Sheriffs' Retirement System (SRS)
- Game Wardens' and Peace Officers' Retirement System (GWPORS)

Based on the assumed level of future revenue, the Unfunded Actuarial Liability for the Volunteer Firefighters' Compensation Act (VFCA) is expected to be amortized over 5.1 years using the Actuarial Value of Assets and over 3.4 years using Market Value of Assets. The Judges' Retirement System (JRS) had an Actuarial Surplus as of June 30, 2014.



ACTUARIAL SECTION

Public Employees' Retirement Board October 24, 2014 Page 2

The changes in funded status for each System are shown below based on the Actuarial Value of Assets:

	<u>2013</u>	<u>2014</u>
PERS	80%	74%
JRS	143%	155%
HPORS	60%	64%
SRS	77%	81%
GWPORS	80%	84%
MPORS	58%	63%
FURS	66%	72%
VFCA	75%	52%

Due to net investment gains over the period from June 30, 2011 through June 30, 2014, which are being recognized over four years, the Actuarial Value of Assets as of June 30, 2014 was less than the Market Value of Assets by about 6% to 7% for each of the Systems. If the Market Value of Assets had been used to determine the funded status, the funded status of each of the Systems would have been higher than using the Actuarial Value of Assets.

For PERS, the actuarial liability was increased from the prior year due to a preliminary injunction issued December 20, 2013 on the Guaranteed Annual Benefit Adjustment (GABA) provisions of House Bill 454 (HB 454). HB 454, which was enacted during the 2013 legislative session, made changes to the Public Employees' Retirement System (PERS) with respect to enhanced funding and reductions in levels of the GABA. The reversion back to the GABA provisions specified by the Code prior to the enactment of HB 454 increased the actuarial liability of PERS by \$810.7 million.

In addition for PERS, HB454 requires that the actuarial valuation determine whether certain temporary employer and member contributions can be discontinued at January 1, 2015. Based upon our valuation results as of June 30, 2014, temporary employer and member contributions cannot be discontinued at January 1, 2015.

At the request of the Board, we have also performed a valuation as of June 30, 2013 of the PERS Long Term Disability Plan under the Defined Contribution Plan. This valuation is the first valuation we have performed of this plan. Our findings indicate that the employer contributions are not sufficient to pay Normal Costs or to amortize the Unfunded Actuarial Liability. The funded ratio as of June 30, 2013 was 81%.



Public Employees' Retirement Board October 24, 2014 Page 3

Assumptions and Methods

These valuations are the fifth valuations performed for the Board by Cheiron. The current actuarial assumptions were adopted by the Board for the June 30, 2010 valuations following an actuarial experience study.

The actuarial assumptions reflect our understanding of the likely future experience of the Systems, and the assumptions as a whole represent our best estimate for the future experience of the Systems. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the cost of the benefits would vary from our projections.

The calculations in the following exhibits have been made on a basis consistent with our understanding of the Systems' funding requirements and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results in this letter. Accordingly, additional determinations may be needed for other purposes.

Reliance on Others

In preparing the actuarial valuations, we relied on information (some oral and some written) supplied by the staff of the Public Employee Retirement Administration. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Supporting Schedules

Information presented in this Actuarial Section as of June 30, 2014, and in various parts of the Financial and Statistical Sections is based on information found in our actuarial valuation reports. Numbers reported for years prior to the fiscal year ending June 30, 2009 were developed by the prior actuary and are reported per their valuation reports.

Certification

We hereby certify that, to the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentiald actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.



ACTUARIAL SECTION

Public Employees' Retirement Board October 24, 2014 Page 4

This letter was prepared exclusively for the Public Employees' Retirement Board for the purpose described herein. This letter is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely, Cheiron

/s/ Stephen T. McElhaney

Stephen T. McElhaney, FSA, FCA Principal Consulting Actuary /s/ Margaret Tempkin

Margaret Tempkin, FSA Principal Consulting Actuary

Public Employees' Retirement Board

A Component Unit of the State of Montana Summary of Actuarial Assumptions and Methods

BACKGROUND

An actuarial valuation of the plans was completed for fiscal year 2014 by the PERB's actuary, Cheiron. An experience study was performed during fiscal year 2010 examining the plans' experience during the six year period July 1, 2003 to June 30, 2009. The experience study investigated the actual experience of each plan administered by the PERB. The methods, assumptions, and factors adopted by the PERB were based on Cheiron's recommendations. The actuarial assumptions were approved by the PERB in May 2010 and were used in the fiscal year 2014 actuarial valuation. The recommendations were formed on the basis of recent experience of the plans and on the current expectations of future economic conditions. The actuarial methods, assumptions, factors, and any changes in the actuarial assumptions are described in this section.

Cheiron studied the plans' experience with respect to both demographic and economic assumptions. Demographic assumptions are based on expected membership behavior. These include the retirement rates, termination rates, disability rates, mortality rates, and miscellaneous assumptions including marital status. Economic assumptions are based on common system elements such as investment returns. inflation. and administrative expenses. Salary increases can be considered either demographic (membership oriented) or economic (given the inflation component). For the Fiscal Year 2014 study Cheiron included salary experience under the economic portion of the study.

The assumptions are intended to estimate the future experience of the plans and the members of the plans in areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected based on these assumptions will result in corresponding changes in the estimated cost of the plans' benefits.

A limited economic experience study was performed during August 2013. This experience study looked at the following assumptions: inflation, investment rate of return, wage growth and interest on member contributions. The results of the study were presented to the PERB in September 2013. The PERB voted to maintain all economic assumptions as they were prior to the study. The FY2014 valuation used the unchanged economic assumptions.

Assumptions related to the Guaranteed Annual Benefit Adjustment (GABA) for PERS have been removed, since the preliminary injunction on the GABA provisions of House Bill 454 (HB454) is currently in place.

Assumptions related to future member contribution rates for PERS have been updated based on revisions projections, which incorporate Plan experience over the year ending on the valuation date.

RECORDS AND DATA

The data used in the valuation consists of financial information and records of age,

service and income of contributing members, former contributing members and their survivors. All data supplied to the actuary by MPERA was accepted for valuation purposes without audit.

ACTUARIAL FUNDING AND METHOD

A fundamental principle in financing the liabilities of a retirement program is to relate the cost of benefits to when they are earned, rather than when they are paid. There are a number of methods in use for making that determination. The funding method used to determine costs in these valuations is the Entry Age Actuarial Cost Method. Under this funding method, a normal cost rate is determined by taking the value of each member's projected future benefits as of entry age into the plan.

The actuarial liability is that portion of the present value of projected benefits that will not be paid by future normal cost. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability.

The portion of the actuarial liability in excess of plan assets is amortized to develop an additional cost or savings which is added to each year's employer normal cost. Under this cost method, actuarial gains and losses are directly reflected in the size of the unfunded actuarial liability.

ACTUARIAL VALUE OF ASSETS

Asset values were supplied by MPERA and were accepted without audit by the actuary. The Actuarial Value of Assets is the current market value, adjusted by a four-year smoothing of gains and losses on a market value basis. The asset adjustment

method dampens the volatility in asset values that could occur because of fluctuations in market conditions. Each year's gain or loss is determined as the difference between the actual market return and the expected market return using the assumed rate of investment return.

INVESTMENT RETURNS

The future investment earnings of the assets of the plans are assumed to accrue at an annual rate of 7.75%, net investment-related expenses.

The administrative expense assumption is now explicitly stated as a cost element rather than being included implicitly within the investment return.

AMORTIZATION METHODS

The unfunded actuarial accrued liability is amortized as a level percentage of future payroll, except for VFCA which is amortized as level dollar amounts since there is no payroll.

Interest on Member Contributions

Interest on member contributions at the time of the valuation was assumed to accrue at a net annual rate of 3.50%, with the exception of VFCA.

Capital Preservation Premium on MPORS DROP Accounts

Effective July 1, 2009, the interest earned on MPORS DROP accounts changed from the actual trust fund earnings with a floor of zero to the actuarial assumed rate of return.

FUTURE SALARIES

Estimates of future salaries are based on two types of assumptions. Rates of increase in the general wage level of the membership are directly related to inflation, while individual salary changes due to promotion and longevity, referred to as the merit scale, occur even in the absence of inflation. The assumed increase in future salaries due to general wage growth is 4.00% per year for all plans. The merit scale is based on years of service and is in addition to the wage growth. The merit scale is calculated independently for each plan based on the factors applicable to the plan. VFCA is excluded from this calculation because members are unpaid volunteers.

MARRIAGE

The probability of marriage assumption is 100% of all non-retired members. Male spouses are assumed to be three years older than female spouses for all systems except JRS where the male spouses are assumed to be four years older than female spouses.

MORTALITY

The mortality assumptions among contributing members, terminated vested members, service retired members, and beneficiaries are based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA. The sample mortality rates for healthy retirees, beneficiaries and non-retired members for all plans is presented in the following table.

Healthy Retirees, Beneficiaries and Non-Retired Members					
San	ple Mortality	Rates			
<u>Age</u>	Male	<u>Female</u>			
50	0.163%	0.130%			
55	0.272%	0.241%			
60	0.530%	0.469%			
65	1.031%	0.900%			
70	1.770%	1.553%			
75	3.062%	2.492%			
80	5.536%	4.129%			
85	9.968%	7.076%			
90	17.271%	12.588%			

The mortality assumptions among Disabled Retirees are based on the RP-2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed. The sample mortality rates for the disabled retirees for all plans is presented in the following table.

Disabled Retirees							
Sample Mortality Rates							
<u>Age</u>	<u>Male</u>	<u>Female</u>					
50	0.214%	0.168%					
55	0.362%	0.272%					
60	0.675%	0.506%					
65	1.274%	0.971%					
70	2.221%	1.674%					
75	3.783%	2.811%					
80	6.437%	4.588%					
85	11.076%	7.745%					
90	18.341%	13.168%					

SERVICE RETIREMENT

The assumed rates of service retirement used in the valuations are dependent upon age and years of service and differ between plans. The rates are based on the actual experience of the individual plans. Under all plans, vested terminated members are assumed to retire when first eligible for an unreduced benefit.

DISABLEMENT

The assumed rates of disablement are dependent upon ages and differ between plans. It is further assumed that 75% of all disabilities are duty-related for HPORS, SRS, and GWPORS. For JRS it is assumed that 10% of all disabilities are duty-related. For PERS and VFCA all disabilities are assumed to be duty related. For MPORS and FURS there is no distinction between duty and non-duty related disabilities. It is assumed that all disabilities are permanent and that no disabled member will recover and return to work

OTHER TERMINATIONS OF MEMBERSHIP

The assumed rates of termination, other than for retirement, death, or disability, are calculated individually for each plan. The JRS does not assume termination for any reason other than retirement, death, or disability.

TERMINATING MEMBERS ELECTING A REFUND

It is assumed that all terminating members that are non-vested will receive an immediate withdrawal of their member accumulated contributions. The probability of a terminating, vested member electing a refund of the member account balance is based on age and is different for each plan as described in the actuarial valuation. These assumptions do not apply to the JRS or VFCA.

ACTUARIAL FACTORS

Retirement actuarial factors are used in determining joint, survivor and period certain annuities.

ACTUARIAL AUDIT

In preparation for the fiscal year 2009 actuarial valuation, their first valuation, Cheiron reproduced the results of the prior valuation at June 30, 2008 performed by PERB's actuary at that time, Milliman. In this reproduction of results, Cheiron obtained an actuarial accrued liability well within established norms for all plans administered by the PERB.

This is the sixth valuation performed by Cheiron. All results shown for valuations prior to June 30, 2009 were derived from reports prepared by the prior actuary, Milliman.

CALCULATIONS BASED ON THE MARKET VALUE OF ASSETS

Section 19-2-407, MCA, as amended by the 2007 Legislature, requires the actuarial report to show how market performance is affecting the actuarial funding of the retirement systems. In the following paragraphs the effect on each one of the defined benefit retirement systems is explained using the market value of assets.

At June 30, 2014, the market value of assets for **PERS-DBRP** was \$347 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 80% and the amortization period for the unfunded actuarial liability would be 19.8 years. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 74% and the amortization period for the unfunded actuarial liability is 29.3 years.

The valuation also includes calculations related to the Plan Choice Rate (PCR). The PCR is the percent of the employer contribution allocated to the PERS-DBRP for members who choose the PERS-DCRP or the Montana University System Retirement Program (MUS-RP). The calculations show that the amortization of the PCR unfunded actuarial liability is 2.0 years, which is within the acceptable range.

This is the first valuation of the **PERS-DCRP Disability OPEB Plan.** As of June 30, 2013 the statutory contribution rates are not sufficient to amoritize the unfunded actuarial liability. As of June 30, 2013 the Plan's assets gained 0.25% on a market value basis. This was below the assumed rate of return of 3.50%. Because this is the first valuation for this Plan, the actuarial value of assets is set equal to the market value of assets.

At June 30, 2014, the market value of assets for **JRS** was \$5.8 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 166% and the amortization period for the unfunded actuarial liability would be zero years since the plan is overfunded. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 155% and the amortization period for the unfunded actuarial liability is still zero years since the plan is overfunded.

At June 30, 2014, the market value of assets for **HPORS** was \$8.8 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 69% and the amortization period for the unfunded actuarial liability would be 23.9 years. Using the actuarial value of assets in the valuation, the funded ratio at June 30,

2014 is 64% and the amortization period for the unfunded actuarial liability is 30.3 years.

At June 30, 2014, the market value of assets for **SRS** was \$19.7 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 87% and the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability within a 30 year amortization period. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 81% and the amortization period for the unfunded actuarial liability is infinite.

At June 30, 2014, the market value of assets for **GWPORS** was \$9.3 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 90% and the statutory contribution rates are not sufficient to amortize the unfunded actuarial liability within a 30 year amortization period. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 84% and the amortization period is infinite.

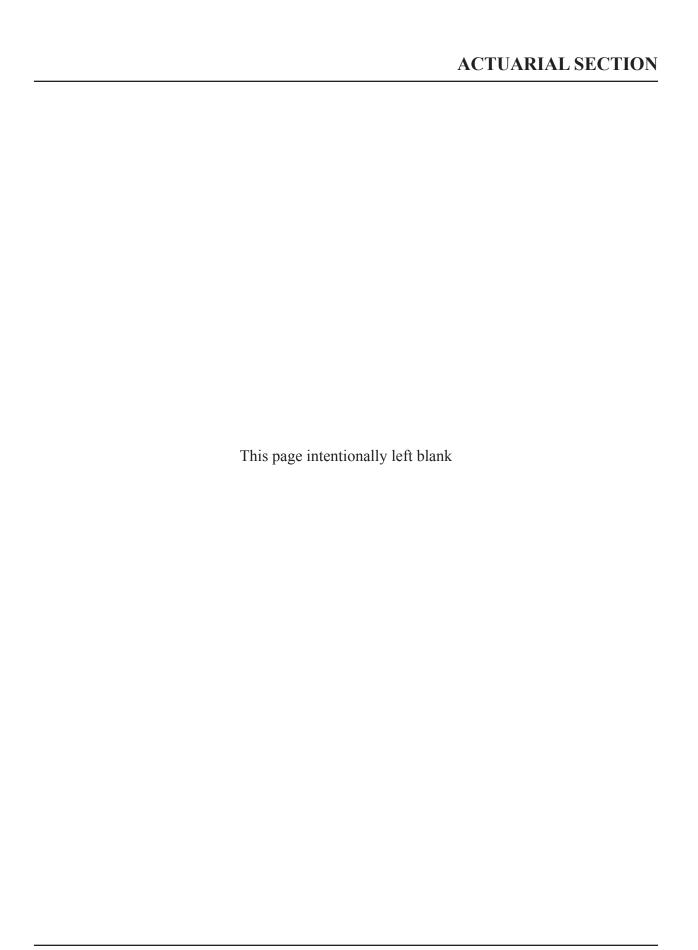
At June 30, 2014, the market value of assets for **MPORS** was \$20.5 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 67% and the amortization period for the unfunded actuarial liability would be 16.5 years. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 63% and the amortization period is 19.6 years.

At June 30, 2014, the market value of assets for **FURS** was \$20.6 million greater than the actuarial value of assets. If the market value of

ACTUARIAL SECTION

assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 77% and the amortization period for the unfunded actuarial liability would be 9.0 years. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 72% and the amortization period for the unfunded actuarial liability is 11.3 years.

At June 30, 2014, the market value of assets for VFCA retirement system was \$2.0 million greater than the actuarial value of assets. If the market value of assets was used rather than the actuarial value of assets, the funded ratio on the valuation date would be 88% and the amortization period for the unfunded actuarial liability would be 3.4 years with the annual required contribution being \$699 thousand. Using the actuarial value of assets in the valuation, the funded ratio at June 30, 2014 is 82% and the amortization period for the unfunded actuarial liability is 5.1 years. The total required contribution is \$890 thousand.



Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Member Valuation Data

		Number	Nbr	Covered	Average	
	Valuation	Members	ERs	Payroll ¹	Annual Pay ²	% Pay
System	Date	(a)	(b)	(c)	(c/a)	Increase
PERS-DBRP	June 30, 2009	28,983	529	\$1,043,214,752	\$ 35,994	2.34%
	June 30, 2010	28,834		1,083,779,866	37,587	4.43%
	June 30, 2011	28,659		1,071,376,488	37,384	-0.54%
	June 30, 2012	28,548		1,081,288,177	37,876	1.32%
	June 30, 2013	28,401		1,103,999,865	38,872	2.63%
	June 30, 2014	28,229		1,129,109,402	39,998	2.90%
	•				,	
JRS	June 30, 2009	51	1	5,109,726	100,191	0.27%
	June 30, 2010	51	1	5,686,874	111,507	11.30%
	June 30, 2011	54	1	5,645,110	104,539	-6.25%
	June 30, 2012	54	1	6,192,732	114,680	9.70%
	June 30, 2013	54	1	6,275,682	116,216	1.34%
	June 30, 2014	55	1	6,354,763	115,541	-0.58%
HPORS	June 30, 2009	222	1	11,424,902	51,464	0.40%
	June 30, 2010	230	1	13,035,971	56,678	10.13%
	June 30, 2011	214	1	12,471,575	58,278	2.82%
	June 30, 2012	218	1	13,617,653	62,466	7.19%
	June 30, 2013	219	1	13,484,125	61,571	-1.43%
	June 30, 2014	229	1	14,149,269	61,787	0.35%
	luna 20, 2000	1 105	<i></i> 7	E4 4E6 E06	42.422	2.020/
SRS	June 30, 2009	1,185	57 57	51,456,506	43,423	2.03%
	June 30, 2010	1,181	57 57	54,680,650	46,300	6.63%
	June 30, 2011	1,230	57 57	57,041,471	46,375	0.16%
	June 30, 2012	1,241	57	59,582,678	48,012	3.53%
	June 30, 2013	1,276	57	61,467,169	48,172	0.33%
	June 30, 2014	1,307	57	64,672,635	49,482	2.72%

¹Applicable only to the the PERS-DBRP, the annual covered payroll has been changed for FY2009 due to a database field that was of insufficient length. This also impacts the Average Annual Pay and % Pay Increase.

²Average Annual Pay is based on Covered Payroll. The actuary valuation average annual salary is based on Annual Payroll which is different than Covered Payroll.

The last actuarial valuation was performed as of June 30, 2014.

		Number	Nbr	Covered	Average	
	Valuation	Members	ERs	Payroll	Annual Pay	% Pay
System	Date	(a)	(b)	(c)	(c/a)	Increase
GWPORS	June 30, 2009	950	7	\$36,023,244	\$37,919	3.69%
	June 30, 2010	966	7	39,435,882	40,824	7.66%
	June 30, 2011	951	7	38,306,496	40,280	-1.33%
	June 30, 2012	972	7	38,316,733	39,421	-2.13%
	June 30, 2013	971	7	39,471,105	40,650	3.12%
	June 30, 2014	955	7	41,636,566	43,598	7.25%
MPORS ³	June 30, 2009	663	29	34,687,120	52,318	4.70%
	June 30, 2010	695	30	37,220,334	53,554	2.36%
	June 30, 2011	702	31	39,470,441	56,226	4.99%
	June 30, 2012	701	31	41,744,760	59,550	5.91%
	June 30, 2013	698	31	42,795,697	61,312	2.96%
	June 30, 2014	695	32	44,426,617	63,923	4.26%
FURS	June 30, 2009	558	21	30,159,570	54,049	-2.68%
	June 30, 2010	570	23	33,338,599	58,489	8.21%
	June 30, 2011	579	24	34,852,160	60,194	2.91%
	June 30, 2012	590	24	36,176,675	61,316	1.87%
	June 30, 2013	610	25	37,962,748	62,234	1.50%
	June 30, 2014	616	25	39,891,869	64,760	4.06%
VFCA	June 30, 2009	2,253				
	June 30, 2010	2,315				
	June 30, 2011	2,105				
	June 30, 2012	2,106				
	June 30, 2013	2,101				
	June 30, 2014	1,935				

Covered payroll is not applicable. Members are unpaid volunteers and do not contribute to the fund.

³The number of members for MPORS does not include the DROP members.

ACTUARIAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Member Composition

as of June 30, 2014

	PER	S-DBRP	JRS	ŀ	HPORS	SRS	G	WPORS	N	IPORS1	FURS	VFCA ²	Р	ERS	-DCRP
Average Age		48.8	59.8		40.7	40.5		42.5		38.8	39.7	45.7	,		46.0
Average Service		9.8	9.9		10.4	7.4		7.7		8.9	10.8	9.7	•		6.8
Average Salary	\$	40,431	\$ 118,093	\$	61,772	\$ 50,577	\$	43,396	\$	59,624	\$ 65,160	N/A	١	\$	44,284
Under Age 25															
Number Members		529			4	73		31		17	12	126	6		19
Average Salary	\$	28,271		\$	54,472	\$ 39,397	\$	33,712	\$	49,447	\$ 54,746	N/A	١.	\$	29,356
Ages 25-29															
Number Members		1,502			23	175		90		91	72	125	5		146
Average Salary	\$	34,467		\$	56,934	\$ 43,638	\$	37,898	\$	52,793	\$ 52,456	N/A	١	\$	37,548
Ages 30-34															
Number Members		2,094			36	189		126		143	121	209)		320
Average Salary	\$	38,475		\$	59,338	\$ 48,893	\$	40,917	\$	57,299	\$ 59,540	N/A	١.	\$	45,018
Ages 35-39															
Number Members		2,913	1		40	223		162		115	119	198	3		397
Average Salary	\$	38,630	\$ 115,334	\$	59,607	\$ 51,013	\$	42,447	\$	56,907	\$ 62,795	N/A	١	\$	45,095
Ages 40-44															
Number Members		2,719	1		44	181		142		139	112	228	3		388
Average Salary	\$	41,643	\$ 117,442	\$	63,950	\$ 55,254	\$	45,463	\$	62,857	\$ 67,577	N/A	١	\$	49,932
Ages 45-49															
Number Members		3,184	2		39	165		131		114	79	255	5		342
Average Salary	\$	42,263	\$ 117,924	\$	64,858	\$ 53,879	\$	45,415	\$	64,271	\$ 71,752	N/A	١	\$	46,414
Ages 50-54															
Number Members		4,564	12		27	123		127		53	61	257	•		384
Average Salary	\$	42,261	\$ 118,670	\$	62,951	\$ 54,299	\$	46,418	\$	65,410	\$ 77,666	N/A	١.	\$	44,755
Ages 55-59															
Number Members		5,213	11		13	103		86		12	28	224	ļ		358
Average Salary	\$	42,308	\$ 118,099	\$	64,932	\$ 52,205	\$	45,646	\$	65,734	\$ 74,706	N/A	١	\$	44,177
Ages 60-64															
Number Members		3,837	13		3	56		47		10	10	157	,		256
Average Salary	\$	41,890	\$ 117,488	\$	70,296	\$ 54,032	\$	45,870	\$	64,179	\$ 79,635	N/A	١.	\$	39,939
Ages 65-69															
Number Members		1,245	8			13		10		1	2	107	,		74
Average Salary	\$	37,589	\$ 119,239			\$ 55,889	\$	45,471	\$	94,520	\$	N/A	١.	\$	32,305
Age 70 & Over															
Number Members		429	7			6		3				49)		18
Average Salary	\$	29,756	\$ 117,442			\$ 46,011	\$	39,725				N/A	1	\$	24,649

¹The number of members for MPORS does not include the DROP members.

²Average Salary is not applicable to VFCA, members are unpaid volunteeers.

The information in this schedule is provided by the PERB's actuary, Cheiron.

The last actuarial valuation was performed as of June 30, 2014.

A Component Unit of the State of Montana

Schedule of Retiree Member Composition

as of June 30, 2014

	PEF	RS-DBRP	JRS	H	IPORS	SRS	G	WPORS	N	/IPORS	FURS	,	VFCA
Total Count		19,473	64		299	478		193		666	565		1,332
Average Age		72.1	75.5		69.5	64.7		67.7		66.8	68.6		70.6
Average Age at Retirement		59.5	62.3		49.3	53.2		56.4		47.7	50.7		59.6
Average Service at Retirement		20.0	16.5		23.8	19.6		19.7		19.6	24.2		18.7
Average Annual Benefit	\$	15,205	\$ 45,460	\$	30,279	\$ 24,772	\$	20,817	\$	27,803	\$ 32,624	\$	1,737
Under Age 45													
Number Members		39			1	3				4	2		
Average Annual Benefit	\$	5,534		\$	8,769	\$ 12,132			\$	26,716	\$ 22,182		
Ages 45-49													
Number Members		28			11	10				23	8		
Average Annual Benefit	\$	8,812		\$	40,632	\$ 35,378			\$	32,976	\$ 26,602		
Ages 50-54													
Number Members		198			29	41		7		69	41		
Average Annual Benefit	\$	20,445		\$	33,429	\$ 26,551	\$	24,482	\$	26,453	\$29,888		
Ages 55-59													
Number Members		873	1		18	78		35		86	71		99
Average Annual Benefit	\$	21,783	\$ 33,504	\$	28,105	\$ 25,714	\$	23,575	\$	27,492	\$ 36,490	\$	2,152
Ages 60-64													
Number Members		3,034	7		32	129		36		119	90		256
Average Annual Benefit	\$	19,330	\$ 52,264	\$	32,924	\$ 27,334	\$	18,496	\$	28,683	\$ 38,180	\$	1,837
Ages 65-69													
Number Members		4,575	16		55	97		48		126	108		293
Average Annual Benefit	\$	17,307	\$ 41,024	\$	34,267	\$ 24,405	\$	17,989	\$	31,344	\$ 39,381	\$	1,701
Ages 70-74													
Number Members		3,704	9		45	51		25		72	78		266
Average Annual Benefit	\$	14,608	\$ 54,289	\$	30,922	\$ 26,265	\$	19,354	\$	27,858	\$ 33,931	\$	1,691
Ages 75-79													
Number Members		2,705	6		45	36		15		62	73		203
Average Annual Benefit	\$	12,950	\$ 59,502	\$	28,828	\$ 18,469	\$	25,919	\$	24,186	\$ 26,056	\$	1,639
Ages 80 & Over													
Number Members		4,317	25		63	33		27		105	94		215
Average Annual Benefit	\$	10,564	\$ 40,323	\$	23,735	\$ 13,568	\$	22,931	\$	24,672	\$ 22,568	\$	1,628

The information in this schedule is provided by the PERB's actuary, Cheiron.

The last actuarial valuation was performed as of June 30, 2014.

A Component Unit of the State of Montana

Schedule of Beneficiary Member Composition as of June 30, 2014

	PEF	RS-DBRP		JRS	Н	IPORS		SRS	G	WPORS	N	IPORS		FURS	VFCA ¹
Total Count		415		3		15		20		8		29		20	
Average Age		64		74		46		61		56		65		69	
Average Service at Retirement		19		11		10		16		11		12		16	
Average Annual Benefit	\$	10,894	\$	37,276	\$	15,154	\$	18,512	\$	7,723	\$	23,596	\$	22,786	
Under Age 45															
Number Members		50				8		4		2		2		2	
Average Annual Benefit	\$	7,613			\$	11,757	\$	10,074	\$	9,296	\$	21,211	\$	24,290	
Ages 45-49															
Number Members		22				1				1		2		1	
Average Annual Benefit	\$	7.547			\$	5,793			\$	3,211	\$	26,312	\$	28.134	
	·	,-			·	-,			•	- /	·	-,-	·	, -	
Ages 50-54															
Number Members		23				1		2				1		2	
Average Annual Benefit	\$	8,176			\$	6,566	\$	42,475			\$	24,051	\$	19,667	
Ages 55-59															
Number Members		36		1		1		3				6		1	
Average Annual Benefit	\$	9.700	\$	57,424	\$	22,608	\$	26,552			\$	23,692	\$	24,003	
		,	·	,		,		<u> </u>				,	·		
Ages 60-64															
Number Members	•	60					•	3	•	2	•	2	•	1	
Average Annual Benefit	\$	11,817					\$	9,245	\$	6,525	\$	21,408	\$	29,220	
Ages 65-69															
Number Members		70				2		4		2		5		3	
Average Annual Benefit	\$	11,833			\$	10,805	\$	24,724	\$	7,715	\$	27,326	\$	29,201	
Ages 70-74															
Number Members		48				2		1				3		1	
Average Annual Benefit	\$	10,340			\$	38,340	\$	7,684			\$	25,713	\$	4,800	
Agos 75 79															
Ages 75-79 Number Members		45										2		5	
Average Annual Benefit	\$	12,643									Φ.	20,388	Φ.	20,710	
Average Annual Denetit	Φ	12,043									φ	20,300	φ	20,710	
Ages 80 & Over															
Number Members		61		2				3		1		6		4	
Average Annual Benefit	\$	13,745	\$	27,201			\$	15,299	\$	11,499	\$	20,946	\$	22,656	

¹Benefits for beneficiaries of VFCA retirees terminate when benefits have been paid for a total of 40 months, including any pension or disability benefits paid to retiree before death.

The information in this schedule was provided by the PERB's actuary, Cheiron.

The last actuarial valuation was performed as of June 30, 2014.

A Component Unit of the State of Montana

Schedule of Disabled Member Composition

as of June 30, 2014

	PER	RS-DBRP	JRS	H	IPORS	SRS	G١	WPORS	N	IPORS	FURS	VFCA1
Total Count		193			8	35		2		21	10	
Average Age		55.4			44.5	52.9		45.5		45.7	43.2	
Average Age at Disablement		48.1			35.6	44.6		43.5		38.7	39.1	
Average Service at Retirement		14.9			8.4	9.7		11.6		8.9	9.6	
Average Annual Benefit	\$	10,393		\$	24,887	\$ 22,913	\$	13,206	\$	25,478	\$ 29,622	
Under Age 45												
Number Members		3			4	2				9	5	
Average Annual Benefit	\$	9,045		\$	26,696	\$ 32,337			\$	27,092	\$ 27,772	
Ages 45-49												
Number Members		15			4	7		2		8	4	
Average Annual Benefit	\$	9,076		\$	23,078	\$ 26,423	\$	13,206	\$	26,120	\$ 30,249	
Ages 50-54												
Number Members		54				9				4	1	
Average Annual Benefit	\$	10,162				\$ 20,296			\$	19,996	\$ 36,369	
Ages 55-59												
Number Members		99				16						
Average Annual Benefit	\$	11,260				\$ 21,498						
Ages 60-64												
Number Members		22				1						
Average Annual Benefit	\$	8,029				\$ 25,688						

Ages 65-69

Number Members
Average Annual Benefit

Ages 70-74

Number Members Average Annual Benefit

Ages 75-79

Number Members Average Annual Benefit

Ages 80 & Over

Number Members

Average Annual Benefit

Disability is applicable to the VFCA if disability occurs in the line of duty and member is listed at time of the injury on roster for current fiscal year.

This schedule reflects members currently in a disabled status. Does not include disabilities that have reached normal retirement age.

This information in this schedule is provided by the PERB's actuary, Cheiron.

The last actuarial valuation was performed as of June 30, 2014.

A Component Unit of the State of Montana

Schedule of Converted Disabled Member Composition as of June 30, 2014

	PER	S-DBRP	JRS	HPORS	SRS	GWP	ORS	MP	ORS	ſ	FURS	VFCA1
Total Count		549		16	29		14		66		53	
Average Age		70.7		62.3	67.4		65.1		65.8		68.9	
Average Age at Disablement		51.3		45.1	47.2		51.9		42.0		44.6	
Average Service at Retirement		13.9		12.7	10.2		14.2		12.1		16.5	
Average Annual Benefit	\$	9,505		\$ 22,376	\$ 18,635	\$ 18	3,086	\$ 2	22,739	\$	24,137	

Under Age 45
Number Members
Average Annual Benefit

Ages 45-49

Number Members

Average Annual Benefit

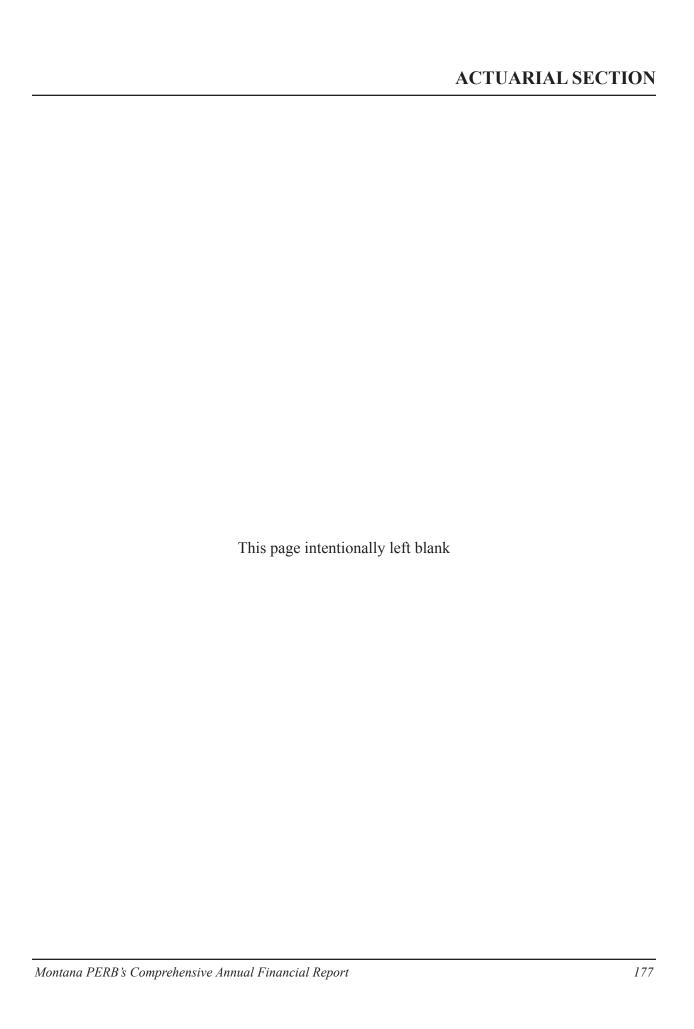
Ages 50-54								
Number Members			3		1 2	7	3	
Average Annual Benefit			\$ 16,287	\$ 18,764	\$ 12,940	\$ 27,221	\$ 25,553	
Ages 55-59								
Number Members		1	3		2	10	4	
Average Annual Benefit	\$	9,221	\$ 26,917		\$ 10,371	\$ 24,298	\$ 2,798	
Ages 60-64								
Number Members		146	4	1		14	11	
Average Annual Benefit	\$	10,115	\$ 22,796	\$ 19,236	\$20,058	\$ 20,606	\$ 24,622	
Ages 65-69					_			
Number Members	_	137	2		8 3	16	16	
Average Annual Benefit	\$	10,155	\$ 23,644	\$ 22,060) \$ 18,808	\$ 22,946	\$ 26,016	
Ages 70-74								
Number Members		109	3		3	8	4	
Average Annual Benefit	\$	9,012	\$ 22,632	\$ 13,792	2	\$ 19,614	\$ 20,707	
Ages 75-79								
Number Members		70	1		2 2	6	6	
Average Annual Benefit	\$	7,879	\$ 22,042	\$ 17,074	\$ 21,764	\$ 22,085	\$ 23,456	
Ages 80 & Over								
Number Members		86			3 1	5	9	
Average Annual Benefit	\$	9,373		\$ 12,742	2 \$ 26,400	\$ 24,481	\$ 22,308	

Disability is applicable to the VFCA if disability occurs in the line of duty and member is listed at time of the injury on roster for current fiscal year.

Converted disabilities include those members who are disabled, but have reached normal retirement age and are no longer recorded as disabled by MPERA.

The information in this schedule is provided by the PERB's actuary, Cheiron.

The last actuarial valuation was performed as of June 30, 2014.



A Component Unit of the State of Montana

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

	A	Added	R	emoved				
Year Ended	No.	Annual Benefits ¹	No.	Annual Benefits ¹	End of Year	Benefits ²	Average Annual Benefit ³	% Benefit Increase
PERS-DBRP								
June 30, 2009	953	\$ 11,308,027	505	\$ 2,147,526	17,075	\$196,401,589	\$11,884	5.81%
June 30, 2010	905	11,510,903	468	2,803,801	17,512	212,186,085	12,575	5.81%
June 30, 2011	1,169	15,407,952	558	3,428,851	18,123	231,222,603	13,625	8.35%
June 30, 2012	1,220	16,262,411	605	4,117,597	18,738	252,762,398	13,177	-3.29%
June 30, 2013	1,261	16,288,261	548	4,058,927	19,451	274,021,249	15,574	18.19%
June 30, 2014	1,226	15,851,006	596	4,376,529	20,081	296,183,076	16,230	4.21%
JRS								
June 30, 2009	6	159,326	1	17,466	55	1,971,931	37,027	1.19%
June 30, 2010	1	129,486	1	4,668	55	2,118,121	39,269	6.06%
June 30, 2011	5	127,602	2	4,668	58	2,239,603	41,259	5.07%
June 30, 2012		94,034	2	36,651	56	2,344,170	42,733	3.57%
June 30, 2013	10	251,141	1	19,919	65	2,552,787	47,131	10.29%
June 30, 2014	3	171,535	1	65,592	67	3,022,512	48,221	2.31%
	1							
HPORS								
June 30, 2009	6	220,859	5	37,537	291	7,127,383	24,057	4.51%
June 30, 2010	8	264,156	4	102,241	295	7,556,735	24,765	2.95%
June 30, 2011	12	294,280	5	75,122	302	7,865,745	26,611	7.45%
June 30, 2012	5	197,432	2	18,356	305	8,223,433	26,349	-0.98%
June 30, 2013	12	401,650	7	58,709	310	8,708,925	30,394	15.35%
June 30, 2014	17	408,119	5	32,946	322	9,344,441	31,658	4.16%
SRS								
June 30, 2009	14	330,201	2	27,745	406	7,858,026	19,487	0.58%
June 30, 2010	17	379,084	8	82,426	415	8,276,901	21,033	7.93%
June 30, 2011	30	701,530	4	50,832	441	9,237,286	23,001	9.36%
June 30, 2012	32	599,749	4	20,148	469	10,379,424	21,628	-5.97%
June 30, 2013	38	723,040	4	44,835	503	11,582,729	24,931	15.27%
June 30, 2014	35	643,063	5	26,764	533	12,732,103	25,446	2.07%

¹These amounts are based on annual benefit totals.

The last actuarial valuation was performed as of June 30, 2014.

² Includes death benefit payments for active members.

³ Based on June monthly benefit totals.

⁴ For MPORS, End of Year does not include DROP.

		Added	R	emoved				
Year Ended	No.	Annual Benefits¹	No.	Annual Benefits ¹	End of Year⁴	Benefits ²	Average Annual Benefit ³	% Benefit Increase
GWPORS								
June 30, 2009	9	\$157,614	2	\$ 13,612	127	\$ 2,520,735	\$19,799	2.52%
June 30, 2010	10	112,042	1	10,583	136	2,621,834	20,044	1.24%
June 30, 2011	12	146,846	3	16,761	145	2,863,434	20,967	4.61%
June 30, 2012	19	235,722	1	22,860	163	3,202,597	18,652	-11.04%
June 30, 2013	22	233,226	5	90,813	180	3,575,042	21,938	17.62%
June 30, 2014	26	283,359	3	21,306	203	3,979,269	22,265	1.49%
MPORS								
June 30, 2009	17	456,299	7	44,723	646	15,008,432	23,597	3.90%
June 30, 2010	34	559,746	10	77,537	670	15,727,576	24,260	2.81%
June 30, 2011	22	539,164	16	145,734	676	17,013,369	25,797	6.34%
June 30, 2012	17	515,137	10	98,603	683	17,354,933	25,533	-1.02%
June 30, 2013	40	883,350	13	153,027	710	18,462,730	27,601	8.10%
June 30, 2014	19	462,040	13	109,127	716	19,449,550	28,842	4.50%
FURS							1	
June 30, 2009	16	510,583	9	97,630	542	13,986,547	26,221	4.77%
June 30, 2010	17	501,398	13	111,575	546	14,597,875	27,314	4.17%
June 30, 2011	19	624,623	13	172,927	552	15,605,138	29,546	8.17%
June 30, 2012	21	696,096	2	9,065	571	16,519,146	28,563	-3.33%
June 30, 2013	25	620,602	9	55,278	587	17,670,032	32,112	12,.43%
June 30, 2014	26	705,387	18	101,960	595	18,871,929	33,356	3.87%
VFCA								
June 30, 2009	61	67,748	40	29,115	1,103	1,779,708	1,621	0.82%
June 30, 2010	82	89,933	36	33,825	1,149	1,856,833	1,627	0.38%
June 30, 2011	76	84,810	42	32,985	1,183	1,938,060	1,652	1.52%
June 30, 2012	87	104,535	28	19,440	1,242	2,046,233	1,574	-4.75%
June 30, 2013	75	129,518	32	24,135	1,285	2,819,162	1,748	11.10%
June 30, 2014	77	81,473	30	26,715	1,332	2,280,876	1,751	0.16%

A Component Unit of the State of Montana

Solvency Test

(in thousands)

		Aggrega	ite Accrued Lia	bilities for				
		1	2	3				
				Active		Porti	on of Ac	crued
		Active	Retirees	Members	Actuarial	Liabi	ilities Co	vered
	Valuation	Member	and	(ER Financed	Value of	by R	eported.	Asset
System	Date	Accounts 1	Beneficiaries	Portion)	Assets	1	2	3
PERS-DBRP	06/30/09	\$ 828,390	\$ 2,272,582	\$ 1,691,847	\$ 4,002,212	100	100	53
	06/30/10	848,756	2,481,534	1,911,529	3,889,890	100	100	29
	06/30/11	840,762	2,728,687	1,840,696	3,800,479	100	100	13
	06/30/12	837,663	2,958,076	1,865,543	3,816,920	100	100	1
	06/30/13	828,657	2,790,430	1,541,864	4,139,921	100	100	34
	06/30/14	838,145	3,436,212	1,903,147	4,595,805	100	100	17
JRS	06/30/09	4,790	21,625	15,433	61,929	100	100	230
	06/30/10	5,207	22,279	15,027	61,277	100	100	225
	06/30/11	5,115	24,692	13,607	61,274	100	100	231
	06/30/12	5,575	24,631	15,985	63,195	100	100	206
	06/30/13	4,733	31,709	12,795	70,323	100	100	265
	06/30/14	4,623	32,776	13,201	78,463	100	100	311
HPORS	06/30/09	9,571	97,087	31,157	99,652	100	93	0
	06/30/10	10,369	102,450	38,359	97,204	100	85	0
	06/30/11	10,795	107,035	37,911	95,274	100	79	0
	06/30/12	11,455	110,876	45,493	96,655	100	77	0
	06/30/13	11,339	117,914	46,341	105,736	100	80	0
	06/30/14	11,507	126,478	45,416	117,226	100	84	0
SRS	06/30/09	36,225	106,352	81,316	200,690	100	100	71
	06/30/10	39,841	117,422	89,470	200,739	100	100	49
	06/30/11	40,737	135,189	90,579	203,689	100	100	31
	06/30/12	41,694	149,254	93,612	211,535	100	100	22
	06/30/13	43,007	164,339	96,838	235,310	100	100	29
	06/30/14	45,595	176,538	103,944	264,945	100	100	41

¹ Active Member Accounts include Regular and Additional Contributions with interest, and excludes all accounts of inactive members. The last actuarial valuation was performed as of June 30, 2014.

		Aggrega						
		1	2	3				
				Active		Porti	on of Ac	crued
		Active	Retirees	Members	Actuarial	Liabi	lities Co	vered
	Valuation	Member	and	(ER Financed	Value of	by R	eported A	Asset
System	Date	Accounts	Beneficiaries	Portion)	Assets	1	2	3
GWPORS	06/30/09	\$ 23,800	\$ 29,536	\$ 38,820	\$ 81,177	100	100	72
	06/30/10	26,592	32,383	54,880	85,151	100	100	48
	06/30/11	28,468	35,166	56,247	90,437	100	100	48
	06/30/12	29,975	39,856	59,095	97,691	100	100	47
	06/30/13	31,918	43,498	64,569	112,100	100	100	57
	06/30/14	32,779	50,062	71,753	129,429	100	100	65
MPORS	06/30/09	28,693	212,169	104,399	214,345	100	88	0
	06/30/10	30,986	229,057	120,350	217,545	100	81	0
	06/30/11	32,906	239,176	129,298	221,669	100	79	0
	06/30/12	34,687	248,260	144,310	234,025	100	80	0
	06/30/13	34,778	267,540	147,725	262,678	100	85	0
	06/30/14	36,950	276,306	161,052	298,722	100	95	0
FURS	06/30/09	28,561	194,949	82,725	209,775	100	93	0
	06/30/10	31,422	207,715	96,326	213,755	100	88	0
	06/30/11	33,089	219,842	102,257	219,959	100	85	0
	06/30/12	34,790	235,553	106,868	233,121	100	84	0
	06/30/13	36,441	248,723	111,606	263,483	100	91	0
	06/30/14	38,805	260,538	119,670	300,949	100	100	1
VFCA	06/30/09		14,498	19,050	27,239	N/A	100	67
	06/30/10		15,846	18,665	26,575	N/A	100	57
	06/30/11		16,483	18,712	26,183	N/A	100	52
	06/30/12		17,465	18,681	26,531	N/A	100	49
	06/30/13		18,612	19,218	28,294	N/A	100	50
	06/30/14		18,888	19,088	31,281	N/A	100	65

Active member accounts are not applicable. Members are unpaid volunteers.

A Component Unit of the State of Montana

Solvency Test

(in thousands)

		Aggregat	e Acc	rued l	_iabili	ties for					
		1		2		3					
					A	Active			Portio	n of Ac	crued
		Active			Me	embers	Ad	ctuarial	Liabili	ties Co	vered
	Valuation	on Member Disable		abled	d (ER Financed			alue of	by Re	ported A	Asset
System	Date ¹	Accounts	Men	nbers	P	ortion)	Δ	ssets	1	2	3
PERS-DCRP DISABILITY OPEB	06/30/13	N/A	\$	294	\$	2,421	\$	2,184	100	100	78

For the PERS-OPEB DC Disability the actuarial valuation is done on a biennial basis with the first year being June 30, 2013. The next valuation will be completed for year ending June 30, 2015.

²This schedule is intended to show information for 6 years. Additional years will be displayed as they become available.



A Component Unit of the State of Montana

Schedule of Funding Progress

(in thousands)

System	Actuarial Valuation Date	Actuarial Value of Assets ¹ (a)	Actuarial Liability (AL) -Entry Age (b)	Unfunded AL (UAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll ² (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
PERS-DBRP	06/30/09	\$ 4,002,212	\$ 4,792,819	\$ 790,607	83.50	\$ 1,043,215	75.79
	06/30/10	3,889,890	5,241,819	1,351,929	74.21	1,083,780	124.74
	06/30/11	3,800,479	5,410,144	1,609,665	70.25	1,071,376	150.24
	06/30/12	3,816,920	5,661,281	1,844,361	67.42	1,081,288	170.57
	06/30/13	4,139,921	5,160,951	1,021,030	80.22	1,104,000	92.48
	06/30/14	4,595,805	6,177,505	1,581,700	74.40	1,129,109	140.08
JRS	06/30/09	61,929	41,848	(20,081)	147.98	5,110	-392.99
	06/30/10	61,277	42,513	(18,765)	144.13	5,687	-329.95
	06/30/11	61,274	43,414	(17,860)	141.13	5,645	-316.38
	06/30/12	63,195	46,190	(17,005)	136.81	6,193	-274.60
	06/30/13	70,323	49,236	(21,087)	142.82	6,276	-336.00
	06/30/14	78,463	50,600	(27,863)	155.07	6,355	-438.47
HPORS	06/30/09	99,652	137,815	38,163	72.31	11,425	334.03
	06/30/10	97,204	151,177	53,973	64.30	13,036	414.03
	06/30/11	95,274	155,742	60,468	61.17	12,472	484.83
	06/30/12	96,655	167,824	71,169	57.59	13,618	522.62
	06/30/13	105,736	175,594	69,858	60.22	13,484	518.08
	06/30/14	117,226	183,400	66,174	63.92	14,149	467.69
SRS	06/30/09	200,690	223,893	23,203	89.64	51,457	45.09
	06/30/10	200,739	246,734	45,995	81.36	54,681	84.11
	06/30/11	203,689	266,506	62,817	76.43	57,041	110.12
	06/30/12	211,535	284,559	73,024	74.34	59,583	122.56
	06/30/13	235,310	304,185	68,875	77.36	61,467	112.05
	06/30/14	264,945	326,077	61,132	81.25	64,673	94.53

Analysis of the dollar amounts of plan net assets, actuarial liability, and unfunded actuarial liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial liability provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

¹Refer to the "Notes to the Required Supplementary Information" for the Actuarial Asset Valuation Method (Page 114).

² Applicable only to the PERS-DBRP, the annual covered payroll has been corrected for FY2009 due to a database field that was not sufficient in length. This correction also impacts the UAAL as a percent of covered payroll.

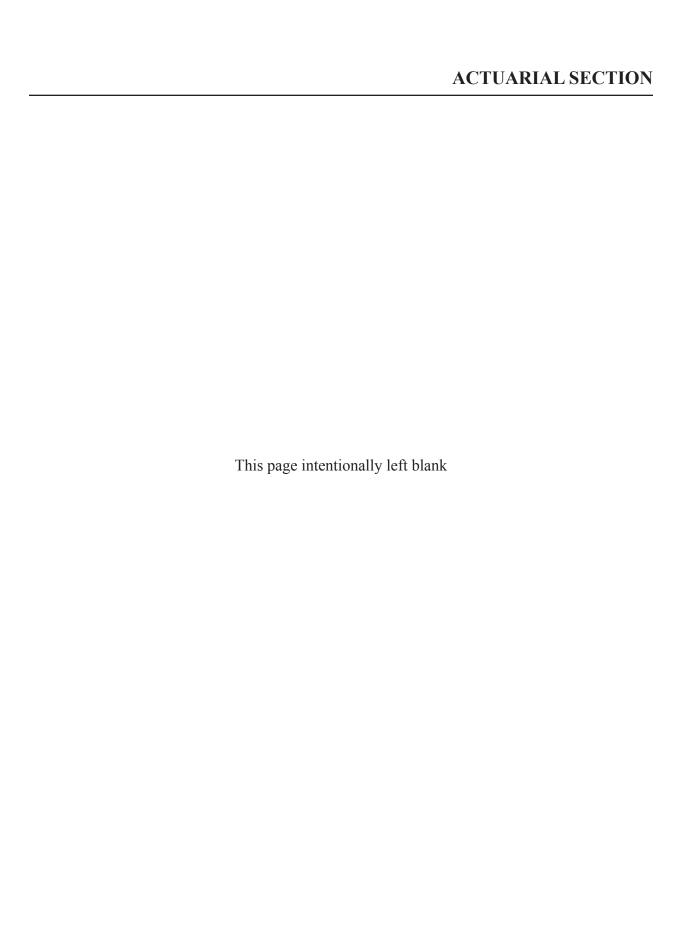
System	Actuarial Valuation Date	Actuarial Value of Assets ¹ (a)	Actuarial Liability (AL) -Entry Age (b)	Unfunded AL (UAL) (b-a)	Funded Ratio % (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
GWPORS	06/30/09	\$ 81,177	\$ 92,155	\$ 10,978	88.09	\$ 36,023	30.48
	06/30/10	85,151	113,855	28,704	74.79	39,436	72.79
	06/30/11	90,437	119,881	29,444	75.44	38,306	76.87
	06/30/12	97,691	128,927	31,236	75.77	38,317	81.52
	06/30/13	112,100	139,985	27,885	80.08	39,471	70.65
	06/30/14	129,429	154,595	25,166	83.72	41,637	60.44
MPORS	06/30/09	214,345	345,261	130,916	62.08	34,687	377.42
	06/30/10	217,545	380,393	162,848	57.19	37,220	437.52
	06/30/11	221,669	401,381	179,712	55.23	39,470	455.30
	06/30/12	234,025	427,257	193,232	54.77	41,745	462.89
	06/30/13	262,678	450,043	187,365	58,.37	42,796	437.81
	06/30/14	298,722	474,308	175,586	62.98	44,427	395.23
FURS	06/30/09	209,775	306,236	96,460	68.50	30,160	319.83
	06/30/10	213,755	335,463	121,708	63.72	33,339	365.06
	06/30/11	219,959	355,188	135,229	61.93	34,852	388.01
	06/30/12	233,121	377,211	144,090	61.80	36,177	398.30
	06/30/13	263,483	396,769	133,286	66.41	37,963	351.10
	06/30/14	300,949	419,013	118,064	71.82	39,892	295.96
VFCA	06/30/09	27,226	33,548	6,322	81.16	N/A	N/A
	06/30/10	26,576	34,512	7,936	77.01	N/A	N/A
	06/30/11	26,183	35,195	9,012	74.39	N/A	N/A
	06/30/12	26,531	36,146	9,615	73.40	N/A	N/A
	06/30/13	28,294	37,830	9,536	74.79	N/A	N/A
	06/30/14	31,281	37,975	6,694	82.37	N/A	N/A
	Covered payro	oll is not applicabl	e to VFCA because m	nembers are unpa	id volunteers	S.	

Trends in the unfunded actuarial liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

A Component Unit of the State of Montana Summary of Actuarial (Gain)/Loss by Source (in thousands)

	PERS DBRP	JRS	HPORS	SRS	
Investment (Gain) or Loss	\$(223,502)	\$ (3,614)	\$ (5,631)	\$ (12,235)	
Liability (Gain) or Losses:					
Salary (Gain) or Loss	(11,773)	(131)	(414)	(471)	
New Participant (Gain) or Loss	13,522	94	755	812	
Other (Gain) or Loss	(13,025)	(995)	(74)	(536)	
Total Actuarial (Gain) or Loss	\$(234,778)	\$ (4,646)	\$ (5,364)	\$ (12,430)	
Plan Changes	810,722				
Total (Gain) or Loss					
Including Assumptions	\$575,944	\$ (4,646)	\$ (5,364)	\$ (12,430)	
	GWPORS	MPORS	FURS	VFCA	
	OWIONS	WIFORS	1010	- VI OA	
Investment (Gain) or Loss	\$ (5,532)	\$ (12,454)	\$ (12,459)	\$ (1,288)	
Investment (Gain) or Loss Liability (Gain) or Losses:					
Liability (Gain) or Losses: Salary (Gain) or Loss New Participant (Gain) or Loss	\$ (5,532)	\$ (12,454)	\$ (12,459)		
Liability (Gain) or Losses: Salary (Gain) or Loss	\$ (5,532) 681	\$ (12,454) (643)	\$ (12,459) (209)	\$ (1,288)	
Liability (Gain) or Losses: Salary (Gain) or Loss New Participant (Gain) or Loss Rural Fire Districts (Gain) or Loss	\$ (5,532) 681 522	\$ (12,454) (643) 571	\$ (12,459) (209) 305	\$ (1,288) 344	
Liability (Gain) or Losses: Salary (Gain) or Loss New Participant (Gain) or Loss Rural Fire Districts (Gain) or Loss Other (Gain) or Loss	\$ (5,532) 681 522 (472)	\$ (12,454) (643) 571 (1,943)	\$ (12,459) (209) 305 (256)	\$ (1,288) 344 (961)	
Liability (Gain) or Losses: Salary (Gain) or Loss New Participant (Gain) or Loss Rural Fire Districts (Gain) or Loss Other (Gain) or Loss Total Actuarial (Gain) or Loss	\$ (5,532) 681 522 (472)	\$ (12,454) (643) 571 (1,943)	\$ (12,459) (209) 305 (256)	\$ (1,288) 344 (961)	

The last actuarial valuation was performed as of June 30, 2014.



A Component Unit of the State of Montana

Summary of Defined Benefit Retirement Plans' Provisions as of June 30, 2014

Public Employees' Retirement System-DBRP

MEMBERSHIP

The Plan is a multiple-employer cost sharing plan that covers employees of the State, local governments, and certain employees of the university system and school districts, who are not covered by a separate retirement system governed by Title 19 of Montana Code Annotated.

CONTRIBUTIONS

All members contribute 7.9% of their compensation. This is a temporary 1% increase for members hired prior to July 1, 2011 and remains the same for members hired on or after July 1, 2011. Interest is credited to member accounts at the rates determined by the Board.

All member contributions will be decreased to 6.9% on January 1 following the actuary valuation results that project the amortization period to drop below 25 years and remain below 25 years following the termination of the 1% additional member contribution rate.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 8.17% of each member's compensation. This was increased from 6.9% to 7.035% on July 1, 2007, 7.17% on July 1, 2009, and to 8.17% on July 1, 2013. This is offset by 0.1% of compensation from the State for local governments and school districts. For school districts this offset was increased to 0.235% on July 1, 2007 and 0.37% on July 1, 2009. These increased contributions and offsets will terminate on January 1 following the actuary valuation results that project the amortization period to drop below 25 years and remain below 25 years following the termination of the additional employer contribution rates. The contribution going into the PERS Defined Benefit Plan is reduced by 0.04% of compensation paid into the Educational Fund. Effective July 1, 2013, contributions are also made to the system from the Coal Tax Fund.

Beginning July 1, 2013, employers who hire PERS retirees who work less than 960 hours in the calendar year, but do not become active members, contribute 7.9% of the working retiree's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of a member's retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other PERS benefits. One month of membership service is earned for any month member contributions are made to PERS, regardless of the number of hours worked.

HIGHEST AVERAGE COMPENSATION (HAC)

For members hired prior to July 1, 2011: Highest Average Compensation (HAC) is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member.

For members hired on or after July 1, 2011: Highest Average Compensation is the average of the highest 60 consecutive months (or shorter period of total service) of compensation paid to the member.

For members hired on or after July 1, 2013: Highest Average Compensation calculations initially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

Compensation generally means all remuneration paid, excluding certain allowances, benefits and lump sum payments. Compensation is specifically defined in law for PERS.

SERVICE RETIREMENT

Eligibility: For members hired prior to July 1, 2011:

- (i) age 60 with 5 years of membership service; or
- (ii) age 65 regardless of service; or
- (iii) any age with 30 years of membership service.

For members hired on or after July 1, 2011:

- (i) age 65 with 5 years of membership service; or
- (ii) age 70 regardless of service.

PERS-DBRP (continued)

Benefit: For members hired prior to July 1, 2011:

- (i) If less than 25 years of membership service, the greater of:
 - (a) 1/56 of HAC multiplied by years of service credit; or
 - (b) the actuarial equivalent of double the member's regular contributions and interest plus the actuarial equivalent of any additional contributions plus interest.
- (ii) If 25 years of membership service or more, the greater of:
 - (a) 2% of HAC multiplied by years of service credit; or
 - (b) calculation in (i)(b) above.

For members hired on or after July 1, 2011:

- (i) If less than 10 years of membership service, the greater of :
 - (a) 1.5% of highest average compensation multiplied by years of service credit; or
 - (b) the actuarial equivalent of double the member's regular contributions and interest plus the actuarial equivalent of any additional contributions plus interest.
- (ii) If between 10 and 30 years of membership service, the greater of:
 - (a) 1/56 of highest average compensation multiplied by years of service credit; or
 - (b) calculation in (i)(b) above.
- (iii) If 30 years of membership service or more, the greater of:
 - (a) 2% of highest average compensation multiplied by years of service credit; or
 - (b) calculation in (i)(b) above.

EARLY RETIREMENT

Eligibility: For members hired prior to July 1, 2011:

- (i) age 50 with 5 years of membership service; or
- (ii) any age under age 60 with 25 years of membership service.

For members hired on or after July 1, 2011:

(i) age 55 with 5 years of membership service.

Benefit: For members hired prior to July 1, 2011 and

(i) who retire prior to October 1, 2011

The actuarial equivalent of the accrued portion of the service retirement benefit that would have been payable to the member commencing at age 60 or upon completion of 30 years of membership service with the exception that the benefit must be reduced by a factor resulting from multiplying 0.5% (for first five years from service retirement eligibility) and by 0.3% (for six to 10 years from service retirement eligibility) by the number of months by which the retirement date precedes the date at which the member would have attained age 60 or completed 30 years of membership service.

(ii) who retire on or after October 1, 2011

The actuarial equivalent of the accrued portion of the service retirement benefit that would have been payable to the member commencing at age 60 or upon completion of 30 years of membership service with the exception that the benefit must be reduced using actuarially equivalent factors based on the most recent valuation.

For members hired on or after July 1, 2011:

The actuarial equivalent of the accrued portion of the service retirement benefit that would have been payable to the member commencing at age 65 with the exception that the benefit must be reduced using actuarially equivalent factors based on the most recent valuation.

DISABILITY BENEFIT

Eligibility: Five years of membership service.

Benefit:

If hired on or before February 24, 1991 and did not make an election, the greater of (a) or (b):

- (a) 90% of 1/56 of highest average compensation multiplied by service credit, or
- (b) 25% of HAC.

If hired after February 24, 1991 and prior to July 1, 2011:

- (a) Less than 25 years of membership service: 1/56 of HAC multiplied by service credit, or
- (b) At least 25 years of membership service: 2% of HAC multiplied by service credit, or

PERS-DBRP (continued)

If hired on or after July 1, 2011:

- (a) If less than 10 years of membership service: 1.5% of HAC multiplied by years of service credit.
- (b) If between 10 and 30 years of membership service: 1/56 of HAC multiplied by years of service credit.
- (c) If 30 years of membership service or more: 2% of HAC multiplied by years of service credit.

SURVIVOR'S BENEFIT

Eligibility: Member's status at the time of death:

- (i) active;
- (ii) receiving disability benefit for less than six months;
- (iii) continuously disabled without receiving a disability benefit; or
- (iv) inactive

Death
Payment
Benefit:

The sum of (1) accumulated contributions plus (2) monthly compensation multiplied by the lesser of years of service credit or six, plus (3) interest until benefit paid. However, the survivor of an inactive member who was inactive for more than six months will receive only accumulated contributions and interest from the date of death until payment.

A survivor may elect to receive the payment as a non-increasing annuity that is the actuarial equivalent of the amount of benefit the member would have received.

Survivor Benefit:

For members hired prior to July 1, 2011, the survivorship benefit payable to an active vested member's survivor is the actuarial equivalent of the member's accrued retirement benefit at the time of death or, if the member dies prior to age 50 or 25 years of membership service, the actuarial equivalent of the accrued portion of the early retirement benefit that would have been paid to the member at age 50.

For members hired on or after July 1, 2011, the survivorship benefit payable to an active vested member's survivor is the actuarial equivalent of the member's accrued retirement benefit at the time of death, or if the member dies prior to age 55, the actuarial equivalent of the accrued portion of the early retirement benefit that would have been paid to the member at age 55.

VESTING

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable when eligible for retirement. In lieu

of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit

shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions. Upon receipt of a refund of contributions a

member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The normal form of payment is a life annuity with a refund of any remaining account balance to a designated beneficiary. (Option 1)

Optional Benefits: (i) Option 2, a life annuity and joint 100% survivor benefit,

(ii) Option 3, a life annuity and joint 50% survivor benefit, and

(iii) Option 4, a life annuity with a period certain.

If a retiring member selects Option 2 or 3 and the designated beneficiary predeceases or is divorced from the member, the benefit may revert to the higher Option 1 benefit available at retirement or the retiree may select a different beneficiary and/or a different option within 18 months of the death or divorce.

POST RETIREMENT BENEFIT INCREASES

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to (i) 3% for members hired before July 1, 2007 and (ii) 1.5% for members hired on or after July 1, 2007.

CHANGES SINCE LAST VALUATION

The Post Retirement Benefit Increases follow the provision specified by the Code prior to the enactment of House Bill 454, given the preliminary injunction currently in place.

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- (i) A maximum of 1.5% for each year PERS is funded at or above 90%
- (ii) The 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%.
- (iii) 0% whenever the amortization period for PERS is 40 years or more.

PERS-DCRP Disability OPEB

MEMBERSHIP

The Plan is a mulitple-employer cost sharing plan that covers employees of the State, local governments, and certain employees of the university system and school districts, who are not covered by a separate retirement system governed by Title 19 of Montana Code Annotated. All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to transfer to the PERS-DCRP or remain in the PERS-DBRP by filing an irrevocable election. If an election is not filed the member remains in the PERS-DBRP. Members may not be members of both the defined contribution and defined benefit retirement plans. The PERS-DCRP provides retirement, disability, and death benefits to plan members and their beneficiaries. A separate trust has been established for purposes of providing disability benefits to plan members.

Contributions

Employers contribute 0.30% of each member's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other PERS benefits. One month of membership service is earned for any month member contributions are made to PERS, regardless of the number of hours worked.

HIGHEST AVERAGE COMPENSATION (HAC)

For members hired prior to June 30, 2011: Highest Average Compensation (HAC) is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member

For members hired on or after July 1, 2011: Highest Average Compensation (HAC) is the average of the highest 60 consecutive months (or shorter period of total service) of compensation paid to the member.

Compensation generally means all remuneration paid, excluding certain allowances, benefits and lump sum payments. Compensation is specifically defined in law for PERS.

DISABILITY BENEFIT

Eligibility: Five years of membership service

Benefit: For members hired on or before June 30, 2011:

- (i) Less than 25 years of membership service: 1/56 of HAC multiplied by service credit, or
- (ii) At least 25 years of membership service: 2% of HAC multiplied by service credit.
- (iii) Benefit is payable to the later of age 65 and five years.

For members hired on or after July 1, 2011:

- (i) If less than 10 years of membership service: 1.5% of HAC mulitplied by years of service credit.
- (ii) If between 10 and 30 years of membership service: 1/56 of HAC multiplied by years of service credit.
- (iii) If 30 years of membership service or more: 2% of HAC multiplied by years of service credit.
- (iv) Benefit is payable to age 65 for disabilities occurring prior to age 65, or no more than five years for disabilities occurring after age 65.

Members cannot receive distributions from their individual defined contribution account while receiving payments from the PERS-DCRP Disability OPEB. Participants may choose to receive a distribution from their individual account instead of applying for and receiving a disability benefit.

Survivor's Benefit

Disability benefits cease after the death of a member, and their beneficiary is entitled to death benefits only as provided from the member's vested defined contribution account balance.

Form of Payment

The normal form of payment is a life annuity. No other forms of payment are available.

Post Retirement Benefit Increases

None.

Changes Since Last Valuation

Not applicable.

ACTUARIAL SECTION

Judges' Retirement System

MEMBERSHIP

The Plan is a single-employer defined benefit plan that covers judges of district courts, justices of the supreme court, the chief water judge and the associate water judge (effective July 1, 2011).

CONTRIBUTIONS

Members contribute 7% of their compensation. Interest is credited at rates determined by the Board

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

The employer contributes 25.81% of each member's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other JRS benefits. One month of membership service is earned for any month employee contributions are made to JRS, regardless of the number of hours worked.

CURRENT SALARY OR HIGHEST AVERAGE COMPENSATION (HAC)

For members hired prior to July 1, 1997, and those who have not elected a Guaranteed Annual Benefit Adjustment (GABA), benefits are calculated using current salary, which means the current compensation of the office from which the member retired.

For members hired on or after July 1, 1997, and those who elected GABA, benefits are calculated using HAC, which is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for JRS.

For members hired on or after July 1, 2013: Highest Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility: Age 60 with 5 years of membership service.

Benefit: 3½% per year of current salary or HAC for the first 15 years of service credit and

1.785% per year of current salary or HAC for service credit over 15 years.

DISABILITY BENEFIT

Eligibility: Five years of membership service for non-duty disability; any service for duty-

related disability.

Benefit: For duty-related disability, the greater of 50% of current salary or 50% of HAC.

For regular disability, the actuarial equivalent of the normal retirement benefit

available at the time of disability.

SURVIVOR'S BENEFIT

Eligibility: Active or retired member.

Benefit: For duty-related deaths, the member's service retirement benefit on the date of

death

For non-duty-related active deaths, a refund of the member's accumulated contributions or actuarial equivalent of the member's service retirement benefit on

the date of death.

A beneficiary may elect to receive the present value of the benefit as a single lump

sum.

For retired members without a contingent annuitant, a payment will be made to the

member's designated beneficiary equal to the accumulated contributions reduced

by any retirement benefits already paid.

VESTING

Eligibility: Five years of membership service.

Judges' Retirement System (continued)

Benefit: Accrued normal retirement benefit, payable when eligible for retirement. In lieu

of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit

shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions. Upon receipt of a refund of contributions a

member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The normal form of payment is a life annuity with a refund of any remaining account balance to a designated beneficiary. (Option 1)

Optional Benefits: (i) Option 2, a life annuity and joint 100% survivor benefit,

- (ii) Option 3, a life annuity and joint 50% survivor benefit, and
- (iii) Option 4, a life annuity with a period certain.

If a retiring member selects Option 2 or 3 and the designated beneficiary predeceases or is divorced from the member, the benefit may revert to the higher Option 1 benefit available at retirement or the retiree may select a different beneficiary and/or a different option within 18 months of the death or divorce.

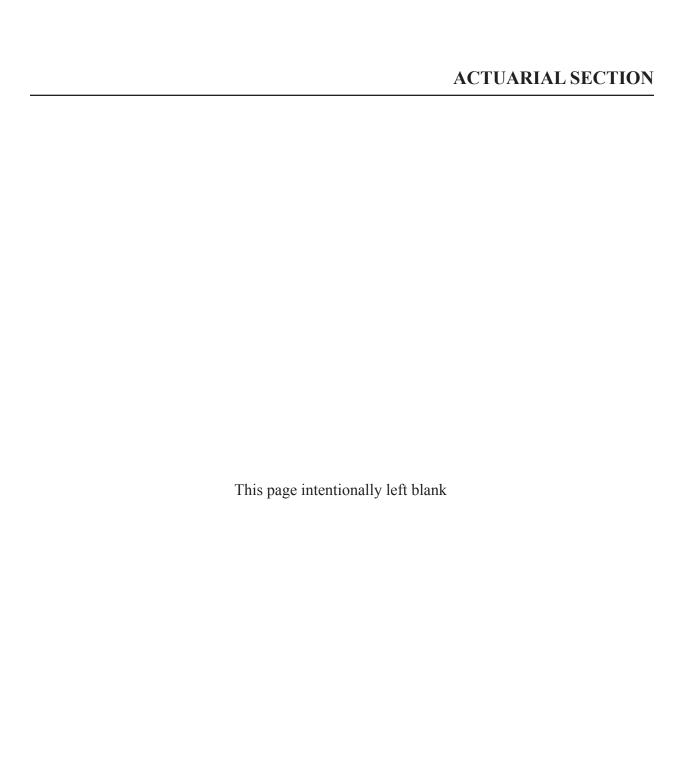
POST RETIREMENT BENEFIT INCREASES

CHANGES SINCE LAST VALUATION

For retired members who became active members on and after July 1, 1997 and those who elected to be covered under this provision, and who have been retired at least 12 months, a GABA will be made each year equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the current salary of an active member in the same position is used to recalculate the monthly benefit.

None.			



Highway Patrol Officers' Retirement System

MEMBERSHIP

The Plan is a single-employer defined benefit plan that covers all members of the Montana highway patrol including supervisors and assistant supervisors.

Contributions

For members not covered by a Guaranteed Annual Benefit Adjustment (GABA), members contribute 10% of their compensation, an increase of 1% from 9% prior to July 1, 2013. Members covered by GABA contribute 10.05% of their compensation, an increase of 1% from 9.05% prior to July 1, 2013. Interest is credited at rates determined by the Board.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

The employer contributes 28.15% of each member's compensation, an increase of 2% from 26.15% prior to July 1, 2013.

The State of Montana contributes 10.18% of each member's compensation, paid from the General Fund.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement, or other HPORS benefits. One month of membership service is earned for any month member contributions are made to HPORS, regardless of hours worked.

HIGHEST AVERAGE COMPENSATION (HAC)

Highest Average Compensation (HAC) is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for HPORS.

For members hired on or after July 1, 2013: Highest Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with

this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility: 20 years of membership service.

Benefit: 2.6% of HAC multiplied by years of service credit.

Early Retirement

Eligibility: Any age with five years of membership service; if discontinued from service

other than for cause.

Benefit: Normal retirement benefit calculated using HAC and service credit at early

retirement, and reduced to the actuarial equivalent based on a retirement age of 60.

DISABILITY BENEFIT

Eligibility: Any active member.

Benefit: (i) For duty-related disability:

- (a) If less than 20 years of membership service: 50% of HAC, or
- (b) If 20 years or more of membership service: 2.6% of HAC multiplied by years of service credit.
- (ii) For regular disability, the actuarial equivalent of the normal retirement benefit based on retirement age of 60.

SURVIVOR'S BENEFIT

Eligibility: Active or retired member.

Benefit: For duty-related deaths, a monthly survivor benefit to the surviving spouse or

dependent child equal to 50% of HAC of the member.

For non-duty-related deaths, the member's spouse will receive (or, if there is no surviving spouse or after the surviving spouse dies, each dependent child for as long as they remain dependent children will equally receive) a benefit that is the actuarial equivalent of the early retirement benefit.

ACTUARIAL SECTION

Highway Patrol Officers' Retirement System (continued)

Benefit A beneficiary may elect to receive the present value of the benefit as a single lump

(continued): sum.

For retired members without a surviving spouse or dependent child, the member's designated beneficiary will receive a payment equal to the retired member's accumulated contributions reduced by any retirement benefits already paid.

VESTING

Eligibility: For members hired prior to July 1, 2013: Five years of membership service.

For members hired on or after July 1, 2013: 10 years of membership service.

Benefit: Accrued retirement benefit, payable at normal or early retirement date. In lieu of

a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit

shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated employee contributions. Upon receipt of a refund of contributions a

member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The retirement benefit is paid for the retired member's life. Upon the death of the retired member, the benefit is paid to the surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children.

POST RETIREMENT BENEFIT INCREASES

For retired members who became active members on or after July 1, 1997, and those who elected to be covered under this provision, and who have been retired at least 12 months, a GABA will be paid each year in January equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the minimum monthly benefit provided is equal to 2% times service credit multiplied by the current base compensation of a probationary highway patrol officer. Such benefit may not exceed 60% of

the current base compensation of a probationary highway patrol officer and the annual increase may not exceed 5% of the current benefit.

For non-GABA members who retired prior to July 1, 1991 and meet eligibility requirements, a supplemental lump sum payment will be made each year based on the increase in the Consumer Price Index.

For retired members who became active members on or after July 1, 2013, and who have been retired at least 36 months, a GABA will be paid each year in January equal to 1.5%

CHANGES SINCE LAST VALUATION	
None.	

ACTUARIAL SECTION

Sheriffs' Retirement System

MEMBERSHIP

The Plan is a multiple-employer cost sharing plan that covers persons employed as sheriffs, investigators (effective July 1, 1993), and detention officers (effective July 1, 2005).

Contributions

Members contribute 9.245% of their compensation. Interest is credited at rates determined by the Board

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 10.115% of each member's compensation. The rate increased from 9.535% to 9.825% on July 1, 2007 and to 10.115% on July 1, 2009. These increased contributions as of 2009 of 0.58% will terminate if an actuarial valuation shows that the period required to amortize the system's unfunded liabilities is less than 25 years, and that the termination of those increases would not cause the amortization to increase beyond 25 years.

Beginning July 1, 2013, employers of retirees who return to work in a position working less than 480 hours contribute 10.115% of the working retiree's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member worked 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other SRS benefits. One month of membership service is earned for any month member contributions are made to SRS, regardless of the number of hours worked.

Additionally, eligible active and inactive members may purchase some types of service that will count as membership service.

HIGHEST AVERAGE COMPENSATION (HAC)

For members hired prior to July 1, 2011: The Highest Average Compensation (HAC) is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member.

For members hired on or after July 1, 2011: The Highest Average Compensation (HAC) is the average of the highest 60 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for SRS.

For members hired on or after July 1, 2013: Highest Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility: 20 years of membership service.

Benefit: 2.5% of HAC multiplied by years of service credit.

EARLY RETIREMENT

Eligibility: Age 50 with five years of membership service.

Benefit: Normal retirement benefit calculated using HAC and service credit at early

retirement, and reduced to the actuarial equivalent commencing at the earliest of

age 60 or the attainment of 20 years of service credit.

DISABILITY RETIREMENT

Eligibility: Five years of membership service for non-duty disability; any membership service

for duty-related disability.

Benefit: (i) For duty-related disability:

(a) If less than 20 years of membership service: 50% of HAC, or

(b) If 20 years or more of membership service: 2.5% of HAC multiplied by

years of service credit.

(ii) For non-duty-related disability, the actuarial equivalent of the accrued normal

retirement benefit available at the time of disability.

SURVIVOR'S BENEFIT

Active or retired member. Eligibility:

Sheriffs' Retirement System (continued)

Benefit: For duty-related deaths:

- (i) lump-sum payment of the member's accumulated contributions; or
- (ii) a monthly survivor benefit to the designated beneficiary equal to the greater of:
 - (a) 50% of HAC; or
 - (b) 2.5% of HAC for each year of service credit actuarially reduced from age 60 or from the date when 20 years of membership service would have been completed, whichever provides the greater benefit.

Benefit: For non-duty-related deaths before retirement:

- (i) lump-sum payment of the member's accumulated contributions, or
- (ii) a monthly survivor benefit equal to 2.5% of HAC for each year of service credit actuarially reduced from age 60 or from the date when 20 years of membership service would have been completed, whichever provides the greater benefit.

A beneficiary may elect to receive the present value of the benefit as a single lump sum.

For retired members without a contingent annuitant, a payment will be made to the designated beneficiary equal to the accumulated contributions reduced by any retirement benefits already paid.

VESTING

Eligibility: Five years of membership service.

Benefit: Accrued retirement benefit, payable at normal or early retirement date. In lieu of

a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit

shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions. Upon receipt of a refund of contributions a

member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The normal form of payment is a life annuity (Option 1).

Optional benefits: (i) Option 2, a life annuity and joint 100% survivor benefit,

- (ii) Option 3, a life annuity and joint 50% survivor benefit, and
- (iii) Option 4, a life annuity with a period certain.

If a retiring member selects Option 2 or 3 and the designated beneficiary predeceases or is divorced from the member, the benefit may revert to the higher Option 1 benefit available at retirement or the retiree may select a different beneficiary and/or a different option within 18 months of the death or divorce.

POST RETIREMENT BENEFIT INCREASES

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year equal to:

- (i) 3% for members hired before July 1, 2007, and
- (ii) 1.5% for members hired on or after July 1, 2007.

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None.			

Game Wardens' and Peace Officers' Retirement System

Membership

The Plan is a multiple-employer cost sharing plan that covers persons employed as a game warden, warden supervisor, or state peace officer.

CONTRIBUTIONS

Members contribute 10.56% of their compensation. Interest is credited at rates determined by the Board

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 9.0% of each member's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member worked 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other GWPORS benefits. One month of membership service is earned for any month member contributions are made to GWPORS, regardless of the number of hours worked.

HIGHEST AVERAGE COMPENSATION (HAC)

For members hired prior to July 1, 2011: The Highest Average Compensation (HAC) is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member.

For new members hired on or after July 1, 2011: The Highest Average Compensation (HAC) is the average of the highest 60 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for GWPORS.

For members hired on or after July 1, 2013: Highest Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility Age 50 with 20 years of membership service.

Benefit: 2.5% of HAC multiplied by years of service credit.

EARLY RETIREMENT

Eligibility: Age 55 with 5 years of membership service.

Benefit: A reduced retirement benefit calculated using HAC and service credit at early

retirement.

DISABILITY RETIREMENT

Eligibility: Five years of membership service.

Benefit: (i) For duty-related disability:

- (a) If less than 20 years of membership service: 50% of HAC, or
- (b) If 20 years or more of membership service: 2.5% of HAC multiplied by years of service credit.
- (ii) For regular disability, the actuarial equivalent of the accrued normal retirement benefit at the time of disability.

SURVIVOR'S BENEFIT

Eligibility: Active or retired member.

Benefit: For duty-related deaths, a monthly survivor benefit to the designated beneficiary equal to:

- (i) If 25 years or less of membership service: 50% of HAC, or
- (ii) If more than 25 years of membership service: 2% of HAC multiplied by years of service credit.

For non-duty-related deaths, a lump-sum refund of the member's accumulated contributions or actuarial equivalent of the service benefit.

A beneficiary may elect to receive the present value of the benefit as a single lump sum.

Game Wardens' and Peace Officers' Retirement System (continued)

Benefit For retired members without a contingent annuitant, a payment will be made (continued) to the member's designated beneficiary equal to the accumulated contributions

reduced by any retirement benefits already paid.

VESTING

Eligibility: Five years of membership service.

Benefit: Accrued normal retirement benefit, payable at normal or early retirement date. In

lieu of a pension, a member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly

benefit shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions. Upon receipt of a refund of contributions a

member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The normal form of payment is a life annuity (Option 1).

Optional benefits: (i) Option 2, a life annuity and joint 100% survivor benefit,

- (ii) Option 3, a life annuity and joint 50% survivor benefit, or
- (iii) Option 4, a life annuity with a period certain.

If a retiring member selects Option 2 or 3 and the designated beneficiary predeceases or is divorced from the member, the benefit may revert to the higher Option 1 benefit available at retirement or the retiree may select a different beneficiary and/or a different option within 18 months of the death or divorce.

POST RETIREMENT BENEFIT INCREASES

For retired members who have been retired at least 12 months, a Guaranteed Annual Benefit Adjustment (GABA) will be made each year in January equal to:

- (i) 3% for members hired before July 1, 2007, and
- (ii) 1.5% for members hired on or after July 1, 2007.

	ACTUARIAL SECTION
CHANGES SINCE LAST VALUATION	
None.	
	

Municipal Police Officers' Retirement System

MEMBERSHIP

The Plan is a multiple-employer cost sharing plan that covers police officers of first- and secondclass cities and others that adopt the plan within the state, other than those cities which maintain a separate local police fund.

Contributions

Members' contributions depend upon date of hire and whether the member has elected to be covered by a Guaranteed Annual Benefit Adjustment (GABA). For members who have not elected GABA the rates of contribution are as follows:

- (i) Hired after June 30, 1975 but on or before June 30, 1979: 7.0%
- (ii) Hired after June 30, 1979 but before July 1, 1997: 8.5%
- (iii) Hired on or after July 1, 1997: 9%

For all members who have elected GABA, the rate is 9.0% of compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

Employers contribute 14.41% of each member's compensation.

The State contributes 29.37% of each member's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member works 160 hours. This includes certain purchased service

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other MPORS benefits. One month of membership service is earned for any month member contributions are made to MPORS, regardless of the number of hours worked.

FINAL AVERAGE COMPENSATION (FAC)

Final Average Compensation (FAC) is the average over the last 36 months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for MPORS.

For members hired on or after July 1, 2013: Final Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's FAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility: (i) Age 50 with 5 years of membership service; or

(ii) Any age with 20 years of membership service.

Benefit: 2.5% of FAC multiplied by years of service credit.

DISABILITY BENEFIT

Eligibility Any active member.

Benefit: (i) Before completing 20 years of membership service: 50% of FAC.

(ii) After completing 20 years or more of membership service: 2.5% of FAC for each year of service credit.

Survivor's Benefit

Eligibility: Any active member.

Benefit: (i) Before completing 20 years of membership service: 50% of member's FAC.

(ii) After completing 20 years of membership service: 2.5% of member's FAC for each year of service credit.

Benefits are paid to the surviving spouse (or equally to dependent children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children). In the absence of a spouse or child, the accumulated contributions minus any benefits already paid will be paid to the member's designated beneficiary.

VESTING

Eligibility: Five years of membership service.

ACTUARIAL SECTION

Municipal Police Officers' Retirement System (continued)

Benefit: Accrued normal retirement benefit, payable at age 50. In lieu of a pension, a

member may receive a refund of accumulated contributions. Upon receipt of a refund of contributions, a member's vested right to a monthly benefit shall be

forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions. Upon receipt of a refund of

contributions, a member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The normal form of payment is a life annuity, with 100% continuation after death to a surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children

POST RETIREMENT BENEFIT INCREASES

For retired members who became active members on or after July 1, 1997, or those who elected to be covered under GABA and who have been retired at least 12 months, a GABA will be made each year in January equal to 3%.

For retired members who were hired prior to July 1, 1997 and who did not elect GABA, the minimum benefit adjustment provided is equal to 50% of the current base compensation of a newly confirmed police officer of the employer that last employed the member as a police officer.

Changes Since Last Valuation None.

MPORS Deferred Retirement Option Plan (DROP)

Eligibility: 20 years of membership service.

Period: Maximum of five years. Member may not receive service credit during

the DROP period.

Contributions: State, employer and member contributions continue during the DROP

period and are made to the retirement system.

Disability: If a member becomes disabled during the DROP period, the member

will not be eligible for MPORS disability benefits. If the member must terminate their service, their service retirement benefit will be paid to them rather than to their monthly DROP account. The member will also

be eligible to receive their DROP account.

Survivor If a member dies before the end of their DROP period, the surviving Benefit: spouse or dependent children are entitled to receive a lump-sum payment

equal to the member's DROP benefit and the member's accumulated contributions minus any benefits paid from the member's DROP account,

including monthly DROP accruals.

If the member does not have a surviving spouse or dependent children, then the member's designated beneficiary is entitled to receive a lump-

sum payment equal to the member's DROP benefit.

The benefit paid must include interest credited to the participant's account

as follows:

(a) through June 30, 2009, interest must be credited every fiscal year end at a rate reflecting the retirement system's annual investment earnings for

the applicable fiscal year.

(b) after June 30, 2009, interest must be credited every fiscal year end at the actuarially assumed rate of return. Proportionate interest must be

credited for distributions taking place at other than a fiscal year end.

Benefit: Member receives DROP accruals equal to the retirement benefit calculated

at DROP commencement and added each month during the DROP period plus interest reflecting the retirement system's assumed annual investment earnings. Effective July 1, 2009, the interest rate credited to DROP accounts was changed to the actuarial assumed rate of 8%. As a result of the experience study performed during fiscal year 2010, the interest rate credited to DROP accounts was changed to the actuarial assumed rate of

7 75%

CHANGES IN DROP SINCE LAST VALUATION

None.

Firefighters' Unified Retirement System

MEMBERSHIP

The Plan is a multiple-employer cost sharing plan that covers firefighters in cities of the first and second class, other cities, and rural fire district departments that adopt the plan. The plan also covers firefighters hired by the Montana Air National Guard on or after October 1, 2001.

Contributions

For members not electing a Gauranteed Annual Benefit Adjustment (GABA), members contribute 9.5% of their compensation. For members electing GABA, members contribute 10.7% of their compensation. Interest is credited at rates determined by the Board.

Member contributions are made through an "employer pick-up" arrangement which results in deferral of taxes on the contributions.

The employer contributes 14.36% of each member's compensation.

Beginning July 1, 2013, employers of retirees who return to work contribute 14.36% of the working retiree's compensation.

The State contributes 32.61% of each member's compensation.

SERVICE CREDIT

Service credit is used to determine the amount of retirement benefit. One month of service credit is earned for each month where the member is paid for 160 hours. This includes certain transferred and purchased service.

MEMBERSHIP SERVICE

Membership service is used to determine eligibility for vesting, retirement or other FURS benefits. One month of membership service is earned for any month member contributions are made to FURS, regardless of hours worked.

HIGHEST AVERAGE COMPENSATION (HAC)

Highest Average Compensation is the average of the highest 36 consecutive months (or shorter period of total service) of compensation paid to the member. Compensation is specifically defined in law for FURS.

For a part-time firefighter, compensation is calculated as 15% of the regular compensation of a newly confirmed full-time firefighter.

For members hired on or after July 1, 2013: Highest Average Compensation calculations intitially exclude amounts over 110% of the compensation included for each previous year with this excess compensation, if any, divided by the member's total months of service credit and added to the compensation for each month considered part of the member's HAC.

Bonuses paid on or after July 1, 2013 to any member will not be treated as compensation for retirement purposes. No member or employer contributions will be paid on bonuses.

SERVICE RETIREMENT

Eligibility: 20 years of membership service.

Benefit:

- (i) For a member hired on or after July 1, 1981, or a member who has elected to be covered by GABA: 2.5% of HAC multiplied by years of service credit.
- (ii) For a member hired prior to July 1, 1981, and who had not elected to be covered by GABA, the greater of (i), or:
 - (a) If membership service is less than 20 years: 2% of highest monthly compensation (HMC) multiplied by years of service credit, and
 - (b) If membership service is greater or equal to 20 years: 50% of HMC plus 2% of HMC multiplied by years of service credit in excess of 20.

EARLY RETIREMENT

Eligibility: Age 50 with 5 years of membership service.

Benefit: Normal retirement benefit calculated using HAC and service credit at early

retirement

DISABILITY RETIREMENT

Eligibility: Any active or inactive member.

Benefit: The greater of:

(a) 50% of HAC, or

(b) 2.5% of HAC multiplied by years of service credit.

SURVIVOR'S BENEFIT

Eligibility: Active or retired member.

ACTUARIAL SECTION

Firefighters' Unified Retirement System (continued)

Benefit: For deaths of active members with less than 20 years of membership service,

a monthly survivor benefit to the surviving spouse (or equally to dependent children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children) equal to 50% of HAC. For active or inactive members with more than 20 years of membership service, a benefit

equal to the accrued retirement benefit at the date of death.

VESTING

Eligibility: Five years of membership service.

Benefit: Accrued retirement benefit, payable at normal or early retirement date. In lieu

of a pension, a member may receive a refund of accumulated contributions. Upon application for a refund of contributions, a member's vested right to a

monthly benefit shall be forfeited.

WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS

Eligibility: Terminates service and is not eligible for other benefits.

Benefit: Accumulated member contributions. Upon receipt of a refund of contributions,

a member's vested right to a monthly benefit is forfeited.

FORM OF PAYMENT

The retirement benefit is paid for the retired member's life. Upon the death of the retired member, the benefit is paid to the surviving spouse. If there is no surviving spouse, or after the death of a surviving spouse, benefits are paid to the dependent children, if any, for as long as they remain dependent children.

POST RETIREMENT BENEFIT INCREASES

For retired members who became active members on and after July 1, 1997, and those who elected to be covered under GABA and who have been retired at least 12 months, a GABA will be paid each year in January equal to 3%.

For retired members who were hired prior to July 1, 1997, and who did not elect GABA, the minimum benefit adjustment is provided equal to 50% of the current base compensation of a newly confirmed active firefighter of the employer that last employed the member as a firefighter.

ACTUARIAL SECTION

CHANGES SINCE LAST VALUATION	
None.	

Volunteer Firefighters' Compensation Act

Membership

The Plan is a state-wide retirement and disability plan. The plan covers volunteer firefighters serving with qualified volunteer fire companies in unincorporated areas throughout the state. All members are unpaid volunteers and the State of Montana is the only contributor to the plan.

CONTRIBUTIONS

There are no member contributions.

The State contributes 5% of certain fire insurance premium taxes collected.

CREDIT FOR SERVICE

To receive a year of credit for service, a volunteer firefighter must serve with a fire company for an entire fiscal year and receive a minimum of 30 hours of training. Fractional years are not credited.

NORMAL RETIREMENT

Eligibility: (i) Age 55 with 20 years of credit for service, or

(ii) Age 60 with 10 years of credit for service.

Benefit: \$7.50 per month for each year of credit for service.

For VFCA members retiring prior to July 1, 2011, maximum service is 30 years.

VFCA members retiring on or after July 1, 2011, will receive \$7.50 per month for each additional year of credited service after 30 years. *Only VFCA members retiring on or after July 1, 2011, qualify for this benefit.*

Benefit Reduction: A retiree's benefit will be capped at, or reduced to, \$225 a month (30 years of credited service) if at any time the amortization period becomes greater than 20 years.

DISABILITY RETIREMENT

Eligibility: Any current member on a fire company's roster.

Benefit: The greater of:

- (i) \$75 per month, or
- (ii) \$7.50 per month per year of credit for service (up to 30 years of service).

SURVIVOR'S BENEFIT

Eligibility: 10 years of credit for service or a retired member.

Benefit: A monthly survivor benefit to the surviving spouse (or equally to dependent

children if there is no surviving spouse or after a surviving spouse dies, for as long as they remain dependent children) equal to the full benefit otherwise payable to the member. Survivor benefits terminate when benefits have been paid for a total of 40 months, including any benefits paid to the retired member

prior to death.

CHANGES SINCE LAST VALUATION

None.

ACTUARIAL SECTION

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Photo Courtesy of Montana Office of Tourism

Photo Courtesy of Harald Millis

Montana has very diverse lands and waters, and distinct seasons. It offers all kinds of activities



Photo Courtesy of Debbie Vandeberg



SUMMARY OF STATISTICAL DATA

The pension funds are accounted for under the accrual basis of accounting. Information is provided for the last ten years ending June 30, 2014 for the following five objectives: financial trends, revenue capacity, debt capacity, demographic and economic trends, and operations.

Financial trends are presented on pages 224 to 235. The schedules contain trend information to help the reader understand how the plans' financial performance and well-being have changed over time. Net assets and liabilities are presented on pages 224 to 231. The change in net assets is presented in chart format and includes graphs for the PERS-DBRP that highlight areas of interest. Actuarial liabilities are presented on pages 233 to 235 in graph format for all of the defined benefit retirement plans. The existence of unfunded actuarial liabilities is not necessarily an indication of financial problems but the fluctuations are important and must be monitored and controlled

Revenue capacity is presented on pages 236 to 247. These schedules contain information to help the reader assess the plans' revenue sources, fair values by investment type, and the contribution rate history since inception.

The schedules showing the History of Membership in the Retirement Plans are presented on pages 248 to 251.

Debt capacity is presented on pages 252 to 257. These schedules present information to help the reader assess the plans' current levels of outstanding debt and the plans' ability to issue additional debt in the future. Debt capacity is represented with benefit expenses and distributions and is followed by schedules

of retired members, based on the type of benefit received

Demographic and Economic information is presented on pages 258 to 277. These schedules offer demographic and economic indicators to help the reader understand the environment within which the plans' financial activities take place. A map on page 264 depicts the location of benefit recipients. The map shows that the majority (88 percent) of benefit recipients remain in Montana. Beginning on page 268, the average monthly benefit is provided.

Operating information is presented on pages 278 to 291. These schedules contain pension plan data to help the reader understand how the information in the financial report relates to the pension plans the PERB administers. This information includes a schedule of employers participating in each of the plans.

A Component Unit of the State of Montana

Changes in Fiduciary Net Position, Last Ten Fiscal Years

(In thousands)

Fiscal Year		2005	2006	2007		2008	2009	2010
PERS-DBRP								
Additions								
Member Contributions ¹	\$	66,986	\$ 66,145	\$ 69,150	\$	72,874	\$ 76,003	\$ 78,671
Employer Contributions ²		60,454	88,573	67,195		72,270	75,949	80,326
State Contributions		421	443	446		378	357	537
Investment Income ³		244,976	293,679	629,559	(1	97,030)	(796,242)	387,861
Other								
Total Additions to Net Position		372,837	448,840	766,350	((51,508)	(643,933)	547,395
Deductions								
Benefits		142,789	153,886	166,188		180,815	196,402	212,186
Refunds		13,236	12,754	12,868		12,123	10,821	10,967
Administrative Expenses		2,569	2,886	2,681		2,832	2,948	3,257
Other ⁴		1,516	1,816	2,108		1,987	1,713	3,438
Total Deductions to Net Position		160,110	171,342	183,845		197,757	211,884	229,848
Change in Net Position	\$	212,727	\$ 277,498	\$ 582,505	\$(2	249,265)	\$ (855,817)	\$ 317,547
PERS-DCRP DISABILITY OPEB5								
Additions								
Employer Contributions	\$	119	\$ 150	\$ 185	\$	212	\$ 245	\$ 265
Investment Income ³		5	15	30		32	16	4
Total Additions to Net Position		124	165	215		244	261	269
Deductions								
Benefits							7	14
Total Deductions to Net Position							7	14
Change in Net Position	\$	124	\$ 165	\$ 215	\$	244	\$ 254	\$ 255
JRS								
Additions								
Member Contributions ¹	\$	412	\$333	\$ 339	\$	385	\$ 584	\$ 595
Employer Contributions		1,162	1,229	1,249		1,315	1,347	1,468
Investment Income ³		3,640	4,344	9,435		(2,991)	(12,103)	6,013
Total Additions to Net Position		5,214	5,906	11,023		(1,291)	(10,172)	8,076
Deductions								
Benefits		1,624	1,743	1,772		1,829	1,972	2,118
Refunds								
Administrative Expenses		9	12	8		9	17	10
Other⁴								24
Total Deductions to Net Position	,	1,633	1,755	1,780		1,838	1,989	2,152
Change in Net Position	\$	3,581	\$ 4,151	\$ 9,243	\$	(3,129)	\$ (12,161)	\$ 5,924

Contributions were made in accordance with statutory requirements.

¹ Includes Interest Reserve Buybacks.

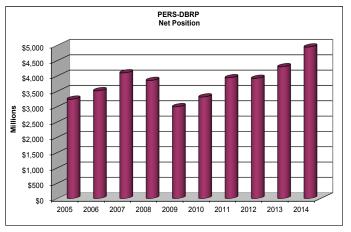
² Includes Membership Fees, Retirement Incentive, Miscellaneous Revenue and Education Contributions.

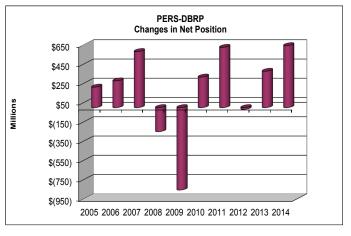
³ Includes Common Stock Dividends.

⁴ Includes Transfers to the DC, MUS-RP, Prior Year Adjustments and Refunds to Other Plans.

⁵ Effective FY2014, DCRP-Disability was changed to PERS-DCRP Disability OPEB and reported as a Defined Benefit Plan.

	2011		2012		2013		2014
\$	77,875	\$	79,332	\$	80,889	\$	92,160
Ψ	79,173	Ψ	80,049	Ψ	81,836	Ψ	129,921
	546		536		532		886
	715,398		91,355		505,052		732,483
	7 13,390		91,333		303,032		132,403
	872,992		251,272		668,309		955,450
	231,223		252,762		274,021		296,183
	11,539		11,991		11,254		10,070
	3,327		3,386		3,843		3,781
	794		1,028		1,594		1,488
	246,883		269,167		290,712		311,522
\$	626,109	\$	(17,895)	\$	377,597	\$	643,928
\$	262	\$	273	\$	288	\$	311
	5		5		5		3
	267		278		293		314
	19		27		29		29
	19		27		29		29
\$	248	\$	251	\$	264	\$	285
\$	504	\$	447	\$	742	\$	481
	1,477		1,598		1,621		1,652
	11,392		1,517		8,409		12,425
	13,373		3,562		10,772		14,558
	2,240		2,344		2,553		3,023
	39		118		185		100
	2,279		2,462		2,738		3,123
\$	11,094	\$	1,100	\$	8,034	\$	11,435





A Component Unit of the State of Montana

Changes in Fiduciary Net Position, Last Ten Fiscal Years

(In thousands)

Additions Additions A 862 8 851 1,005 1,082 1,035 \$ 1,026 Employer Contributions¹ 3,324 2,905 3,634 3,949 4,151 4,763 State Contributions⁴ 6,639 2,77 2,85 290 285 287 Investment Income³ 6,353 7,453 15,875 (4,929) (19,976) 9,714 Total Additions to Net Position 11,208 11,486 20,799 302 (14,507) 16,026 Deductions 5,790 6,365 6,460 6,814 7,127 7,557 Refunds 181 89 139 61 26 5 Administrative Expenses 29 31 28 27 49 35 Other³ 49 1 139 14 17 37 70tal Deductions to Net Position 6,049 6,486 6,766 6,916 721,726 8,341 888 4 1,040 3,324 4,921 4,81	Fiscal Year	2005	2006	2007	2008	2009	2010
Member Contributions¹ \$ 862 \$ 851 \$ 1,005 \$ 1,082 \$ 1,082 \$ 1,082 Employer Contributions² 3,324 2,905 3,634 3,949 4,151 4,763 State Contributions² 669 277 285 290 285 287 Investment Income³ 6,353 7,453 15,875 (4,929) (19,978) 9,714 Total Additions to Net Position 11,208 11,486 20,799 392 (14,507) 16,026 Deductions 8 1,486 20,799 392 (14,507) 16,026 Deductions 8 1,486 20,799 392 (14,507) 16,026 Deductions 8 1,188 139 61 26 56 Addinistative Expenses 2.99 31 28 27 49 35 Other\$ 4.99 6,486 6,766 6,916 7,219 7,685 Charge in Net Position 5,159 5,000 \$14,033 \$6,524	HPORS						
Part Part	Additions						
State Contributions ⁴ 669 277 285 290 285 287 Investment Income ³ 6,353 7,453 15,875 (4,929) (19,978) 9,714 Total Additions to Net Position 11,208 11,486 20,799 392 (14,507) 16,026 Deductions Benefits 5,790 6,365 6,460 6,814 7,127 7,557 Refunds 1811 89 139 61 26 56 Administrative Expenses 29 31 28 27 49 35 Other ³ 49 1 139 14 717 7,685 Change in Net Position 6,049 6,486 6,766 6,916 7,212 7,685 Change in Net Position \$1,099 5,500 \$1,003 \$6,520 \$2,1726 \$3,301 Bernelits \$2,988 \$3,721 \$4,921 \$4,815 \$5,207 \$5,336 Employer Contributions ² \$2,988 \$3,721 \$4,921	Member Contributions ¹	\$ 862	\$ 851	\$ 1,005	\$ 1,082	\$ 1,035	\$ 1,262
New	Employer Contributions ²	3,324	2,905	3,634	3,949	4,151	4,763
Total Additions to Net Position 11,208 11,486 20,799 392 (14,507) 16,026 Deductions Benefits 5,790 6,365 6,460 6,814 7,127 7,557 Refunds 181 89 139 61 26 56 Administrative Expenses 29 31 28 27 49 35 Other's 49 1 139 14 17 37 Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position 5,159 5,000 14,033 6,524 \$(21,726) 8,341 SRS Additions 8 3,721 4,921 4,815 5,207 \$5,336 Employer Contributions* 2,988 3,721 4,921 4,815 \$5,207 \$5,336 Employer Contributions* 2,813 3,524 4,936 4,834 5,193 5,637 Investment Income**	State Contributions ⁴	669	277	285	290	285	287
Deductions	Investment Income ³	6,353	7,453	15,875	(4,929)	(19,978)	9,714
Benefitis 5,790 6,365 6,460 6,814 7,127 7,557 Refunds 181 89 139 61 26 56 Administrative Expenses 29 31 28 27 49 35 Others 49 1 139 14 17 37 Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position 5,159 5,000 14,033 (6,524) (21,726) 3,341 SRS Additions 8 3,721 4,921 4,815 5,207 5,336 Employer Contributions ¹ 2,988 3,721 4,921 4,815 5,207 5,536 Employer Contributions ² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income ³ 11,381 13,566 29,732 (9,598) (38,224) 19,470 Total Additions to Net Position 5,527 6,152	Total Additions to Net Position	11,208	11,486	20,799	392	(14,507)	16,026
Refunds 181 89 139 61 26 56 Administrative Expenses 29 31 28 27 49 35 Others 49 1 139 14 17 37 Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position 5,159 5,000 \$14,033 \$(6,524) \$(21,726) \$ 3,41 SRS Additions 4 \$2,988 \$3,721 \$4,921 \$4,815 \$5,207 \$5,336 Employer Contributions ² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income ³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,448 Deductions 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 <td>Deductions</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Deductions						
Administrative Expenses 29 31 28 27 49 35 Other's 49 1 139 14 17 37 Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position 5,159 5,000 14,033 (6,524) \$(21,726) 8,341 SRS Additions Member Contributions¹ \$2,988 \$3,721 \$4,921 \$4,815 \$5,207 \$5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,24) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968	Benefits	5,790	6,365	6,460	6,814	7,127	7,557
Others 49 1 139 14 17 37 Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position \$ 5,159 \$ 5,000 \$ 14,033 \$ (6,524) \$ (21,726) \$ 8,341 SRS Additions Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 <tr< td=""><td>Refunds</td><td>181</td><td>89</td><td>139</td><td>61</td><td>26</td><td>56</td></tr<>	Refunds	181	89	139	61	26	56
Total Deductions to Net Position 6,049 6,486 6,766 6,916 7,219 7,685 Change in Net Position \$ 5,159 \$ 5,000 \$ 14,033 \$ (6,524) \$ (21,726) \$ 8,341 SRS Additions Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Others* 22 17 82 11 29 116 <td>Administrative Expenses</td> <td>29</td> <td>31</td> <td>28</td> <td>27</td> <td>49</td> <td>35</td>	Administrative Expenses	29	31	28	27	49	35
Change in Net Position \$ 5,159 \$ 5,000 \$ 14,033 \$ (6,524) \$ (21,726) \$ 8,341 SRS Additions Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 <t< td=""><td>Other⁵</td><td>49</td><td>1</td><td>139</td><td>14</td><td>17</td><td>37</td></t<>	Other⁵	49	1	139	14	17	37
Additions Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 70 70 70 70 70 70 70 70 70 70 70 70 7	Total Deductions to Net Position	6,049	6,486	6,766	6,916	7,219	7,685
Additions Additions Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,18	Change in Net Position	\$ 5,159	\$ 5,000	\$ 14,033	\$ (6,524)	\$ (21,726)	\$ 8,341
Member Contributions¹ \$ 2,988 \$ 3,721 \$ 4,921 \$ 4,815 \$ 5,207 \$ 5,336 Employer Contributions² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions 8 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$10,965 \$14,199 \$31,177 \$(8,005) \$(37,394) \$21,187 GWPORS Member Contr	SRS						
Employer Contributions ² 2,813 3,524 4,386 4,834 5,193 5,637 Investment Income ³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other ⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Member Contributions ¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Additions						
Investment Income ³ 11,381 13,566 29,732 (9,598) (38,824) 19,470 Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions	Member Contributions ¹	\$ 2,988	\$ 3,721	\$ 4,921	\$ 4,815	\$ 5,207	\$ 5,336
Total Additions to Net Position 17,182 20,811 39,039 51 (28,424) 30,443 Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other ⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Employer Contributions ²	2,813	3,524	4,386	4,834	5,193	5,637
Deductions Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other ⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Investment Income ³	11,381	13,566	29,732	(9,598)	(38,824)	19,470
Benefits 5,527 6,152 6,769 7,243 7,858 8,277 Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other ⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Total Additions to Net Position	17,182	20,811	39,039	51	(28,424)	30,443
Refunds 611 365 934 722 968 766 Administrative Expenses 57 78 77 80 115 97 Other ⁵ 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Deductions						
Administrative Expenses 57 78 77 80 115 97 Others 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$10,965 \$14,199 \$31,177 \$(8,005) \$(37,394) \$21,187 GWPORS Additions Member Contributions¹ \$3,023 \$3,027 \$3,199 \$3,613 \$3,912 \$4,340	Benefits	5,527	6,152	6,769	7,243	7,858	8,277
Others 22 17 82 11 29 116 Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Refunds	611	365	934	722	968	766
Total Deductions to Net Position 6,217 6,612 7,862 8,056 8,970 9,256 Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Administrative Expenses	57	78	77	80	115	97
Change in Net Position \$ 10,965 \$ 14,199 \$ 31,177 \$ (8,005) \$ (37,394) \$ 21,187 GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Other ⁵	22	17	82	11	29	116
GWPORS Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Total Deductions to Net Position	6,217	6,612	7,862	8,056	8,970	9,256
Additions Member Contributions¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	Change in Net Position	\$ 10,965	\$ 14,199	\$ 31,177	\$ (8,005)	\$ (37,394)	\$ 21,187
Member Contributions ¹ \$ 3,023 \$ 3,027 \$ 3,199 \$ 3,613 \$ 3,912 \$ 4,340	GWPORS						
· · · · · · · · · · · · · · · · · · ·	Additions						
Employer Contributions 2 054 2 391 2 638 2 979 3 292 3 612	Member Contributions ¹	\$ 3,023	\$ 3,027	\$ 3,199	\$ 3,613	\$ 3,912	\$ 4,340
Employer Continuations 2,000 2,010 3,252 3,012	Employer Contributions	2,054	2,391	2,638	2,979	3,292	3,612
Investment Income ³ 3,696 4,594 10,838 (3,653) (15,133) 7,924	Investment Income ³	3,696	4,594	10,838	(3,653)	(15,133)	7,924
Total Additions to Net Position 8,773 10,012 16,675 2,939 (7,929) 15,876	Total Additions to Net Position	8,773	10,012	16,675	2,939	(7,929)	15,876
Deductions	Deductions						
Benefits 1,539 1,835 2,085 2,271 2,521 2,622	Benefits	1,539	1,835	2,085	2,271	2,521	2,622
Refunds 607 477 702 643 840 879	Refunds	607	477	702	643	840	879
Administrative Expenses 42 49 47 52 79 61	Administrative Expenses	42	49	47	52	79	61
Other ⁵ 6 13 30 59	Other ⁵	 6	 13	 	 30	 	59
Total Deductions to Net Position 2,194 2,374 2,834 2,996 3,440 3,621	Total Deductions to Net Position	2,194	2,374	2,834	2,996	3,440	3,621
Change in Net Position \$ 6,579 \$ 7,638 \$ 13,841 \$ (57) \$ (11,369) \$ 12,255	Change in Net Position	\$ 6,579	\$ 7,638	\$ 13,841	\$ (57)	\$ (11,369)	\$ 12,255

Contributions were made in accordance with statutory requirements.

¹ Includes Interest Reserve Buybacks.

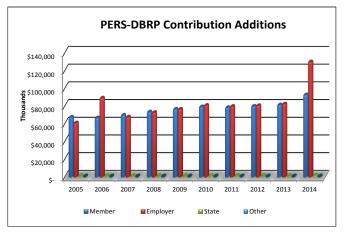
 $^{^{\}rm 2}$ Includes Retirement Incentive and Miscellaneous Revenue.

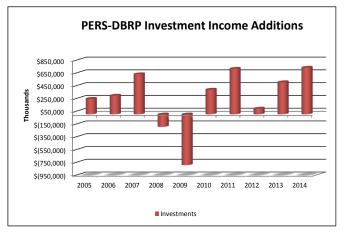
³ Includes Common Stock Dividends.

⁴ Includes Percent of Salary.

 $^{^{\}rm 5}\, \rm Includes$ Refunds to Other Plans and Prior Year Adjustments.

\$ 1,270 \$ 1,299 \$ 1,337 \$ 1,458 4,543
4,543 4,966 4,903 5,474 278 269 274 262 17,912 2,321 12,826 18,684 24,003 8,855 19,340 25,878 7,866 8,223 8,709 9,344 121 65 51 84 56 122 181 109 3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
278 269 274 262 17,912 2,321 12,826 18,684 24,003 8,855 19,340 25,878 7,866 8,223 8,709 9,344 121 65 51 84 56 122 181 109 3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
17,912 2,321 12,826 18,684 24,003 8,855 19,340 25,878 7,866 8,223 8,709 9,344 121 65 51 84 56 122 181 109 3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
24,003 8,855 19,340 25,878 7,866 8,223 8,709 9,344 121 65 51 84 56 122 181 109 3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
7,866 8,223 8,709 9,344 121 65 51 84 56 122 181 109 3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
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3 15 8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
8,043 8,413 8,941 9,552 \$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
\$ 15,960 \$ 442 \$ 10,399 \$ 16,326 \$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
\$ 5,831 \$ 5,694 \$ 5,838 \$ 6,447 6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
6,014 6,028 6,273 6,690 37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
37,539 5,109 28,154 41,802 49,384 16,831 40,265 54,939 9,237 10,379 11,583 12,732
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9,237 10,379 11,583 12,732
968 1,248 1.159 1.185
,
121 207 287 203
23 25 27
10,326 11,857 13,054 14,147
\$ 39,058 \$ 4,974 \$ 27,211 \$ 40,792
\$ 4,198 \$ 4,148 \$ 4,210 \$ 4,462
3,523 3,470 3,576 3,762
16,335 2,388 13,106 20,075
24,056 10,006 20,892 28,299
2,863 3,203 3,575 3,979
993 1,227 841 1,187
88 173 247 161
15 23 63
3,944 4,618 4,686 5,390
\$ 20,112 \$ 5,388 \$ 16,206 \$ 22,909





A Component Unit of the State of Montana

Changes in Fiduciary Net Position, Last Ten Fiscal Years

(In thousands)

Fiscal Year	2005	2006	2007	2008	2009	2010
MPORS						
Additions						
Member Contributions ¹	\$ 2,425	\$ 2,549	\$ 2,709	\$ 2,974	\$ 3,186	\$ 4,141
Employer Contributions	3,791	4,035	4,283	5,156	5,056	6,860
State Contributions ²	7,705	8,182	8,677	9,452	10,186	10,932
Investment Income ³	11,707	14,091	31,080	(10,262)	(40,908)	19,972
Total Additions to Net Position	25,628	28,857	46,749	7,320	(22,480)	41,905
Deductions						
Benefits	11,363	12,032	12,691	13,707	15,008	15,728
Refunds	786	551	688	4,290	794	849
Administrative Expenses	65	68	70	78	98	80
Other ⁴	12	48	29	4	62	149
Total Deductions to Net Position	12,226	12,699	13,478	18,079	15,962	16,806
Change in Net Position	\$ 13,402	\$ 16,158	\$ 33,271	\$ (10,759)	\$ (38,442)	\$ 25,099
FURS						
Additions						
Member Contributions ¹	\$ 2,330	\$ 2,472	\$ 2,619	\$ 3,152	\$ 3,701	\$ 4,419
Employer Contributions	2,959	3,328	3,520	4,467	4,531	5,129
State Contributions ²	6,719	7,533	7,957	9,568	9,832	10,872
Investment Income ³	11,140	13,409	29,577	(9,733)	(39,421)	19,606
Total Additions to Net Position	23,148	26,742	43,673	7,454	(21,357)	40,026
Deductions						
Benefits	10,386	11,040	11,851	13,353	13,987	14,598
Refunds	101	45	241	116	69	86
Administrative Expenses	53	58	56	57	98	72
Other ⁴						85
Total Deductions to Net Position	10,540	11,143	12,148	13,526	14,154	14,841
Change in Net Position	\$ 12,608	\$ 15,599	\$ 31,525	\$ (6,072)	\$ (35,511)	\$ 25,185
VFCA						
Additions						
State Contributions	\$ 1,527	\$ 1,611	\$ 1,661	\$ 1,562	\$ 1,580	\$ 1,575
Investment Income ³	1,550	1,853	4,103	(1,275)	(5,304)	2,566
Total Additions to Net Position	3,077	3,464	5,764	287	(3,724)	4,141
Deductions						
Benefits	1,517	1,564	1,637	1,717	1,780	1,857
Insurance Payments	11	11	13	14	17	17
Administrative Expenses	47	48	50	46	59	58
Other ⁴						9
Total Deductions to Net Position	1,575	1,623	1,700	1,777	1,856	1,941
Change in Net Position	\$ 1,502	\$ 1,841	\$ 4,064	\$ (1,490)	\$ (5,580)	\$ 2,200

Contributions were made in accordance with statutory requirements.

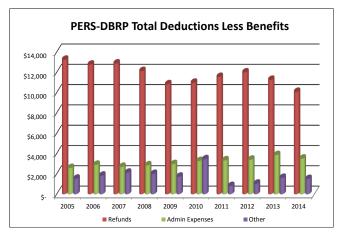
¹ Includes Interest Reserve Buybacks.

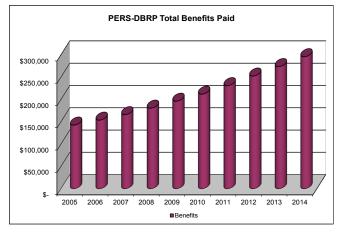
² Includes Percent of Salary.

³ Includes Common Stock Dividends.

⁴ Includes Refunds to Other Plans and Prior Year Adjustments.

2011	2012	2013	2014
\$ 3,580	\$ 6,055	\$ 4,029	\$ 4,133
5,670	3,791	6,280	6,459
11,594	12,274	12,573	13,049
39,175	5,717	30,037	45,244
60,019	27,837	52,919	68,885
17,013	17,355	18,463	19,450
1,000	707	1,833	1,018
106	178	245	166
	3	5	60
18,119	18,243	20,546	20,694
\$ 41,900	\$ 9,594	\$ 32,373	\$ 48,191
\$ 3,748	\$ 4,123	\$ 4,253	\$ 4,698
5,009	5,281	5,499	5,767
11,365	11,797	12,358	13,007
38,751	5,726	30,035	45,478
58,873	26,927	52,145	68,950
15,605	16,519	17,670	18,872
128	119	73	166
92	163	229	153
			14
15,825	16,801	17,972	19,205
\$ 43,048	\$ 10,126	\$ 34,173	\$ 49,745
\$ 1,596	\$ 1,635	\$ 1,711	\$ 1,818
4,793	592	3,383	4,817
6,389	2,227	5,094	6,635
1,938	2,046	2,819	2,281
15	13	15	14
81	144	206	135
2,034	2,203	3,040	2,430
\$ 4,355	\$ 24	\$ 2,054	\$ 4,205





A Component Unit of the State of Montana

Changes in Fiduciary Net Position, Last Ten Fiscal Years

(In thousands)

Fiscal Year	2005	2006	2007	2008	2009	2010
PERS-DCRP						
Additions						
Member Contributions	\$ 3,184	\$ 3,699	\$ 4,394	\$ 5,118	\$ 5,723	\$ 6,140
Employer Contributions	1,856	2,319	2,857	3,255	3,730	4,029
Investment Income ¹	1,768	2,098	5,415	(2,987)	(6,801)	6,122
Other ²	371	487	1,893	554	468	487
Total Additions to Net Position	7,179	8,603	14,559	5,940	3,120	16,778
Deductions						
Refunds	1,873	1,570	2,632	2,519	1,903	1,947
Administrative Expenses	231	227	253	246	411	416
Other ³	256	295	282	223	222	250
Total Deductions to Net Position	2,360	2,092	3,167	2,988	2,536	2,613
Change in Net Position	\$ 4,819	\$ 6,511	\$ 11,392	\$ 2,952	\$ 584	\$ 14,165
DEFERRED COMPENSATION PLAN						
Additions						
Member Contributions	\$ 15,501	\$ 16,990	\$ 17,712	\$ 19,107	\$ 19,661	\$ 18,607
Employer Contributions	55	52	74	70	65	61
Investment Income4	15,267	3,618	37,102	3,287	(26,444)	37,203
Other ⁵	167	209	277	416	335	330
Total Additions to Net Position	30,990	20,869	55,165	22,880	(6,383)	56,201
Deductions						
Refunds	15,592	11,443	14,693	13,302	11,024	13,398
Administrative Expenses	289	204	225	241	318	277
Other ⁶	698	737	781	817	865	991
Total Deductions to Net Position	16,579	12,384	15,699	14,360	12,207	14,666
Change in Net Position	\$ 14,411	\$ 8,485	\$ 39,466	\$ 8,520	\$ (18,590)	\$ 41,535

¹ Fees paid to Great-West, Transamerica and State Street are included in the net investment sum for fiscal years after 2012.

² Includes Miscellaneous Revenues and Forfeitures remitted to MPERA to pay administrative costs.

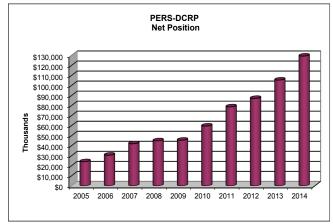
³ Fees paid to Great-West and Transamerica for services provided prior to fiscal year 2013, and prior period adjustments.

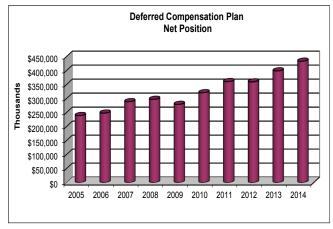
⁴ Fees paid to Great-West, Transamerica and State Street are included in the net investment sum for fiscal years after 2012.

⁵ Miscellaneous Revenue remitted to MPERA to pay administrative costs.

⁶ Fees paid to Great-West, Transamerica and Allianz for services provided prior to fiscal year 2013, and prior period adjustments.

2011	2012		2013	2014
\$ 6,100	\$	6,318	\$ 6,943	\$ 8,534
3,965		4,137	4,374	4,410
12,698		2,352	11,684	18,367
698		616	451	292
23,461		13,423	23,452	31,603
3,637		4,000	4,379	4,738
426		493	585	732
299		313	162	
4,362		4,806	5,126	5,470
\$ 19,099	\$	8,617	\$ 18,326	\$ 26,133
\$ 19,072	\$	19,381	\$ 20,297	\$ 24,255
64		65	79	81
36,906		13,913	21,219	35,165
 424		628	257	191
56,466		33,987	41,852	59,692
15,416		15,637	19,644	24,250
288		357	445	864
1,007		1,186	581	
16,711		17,180	20,670	25,114
\$ 39,755	\$	16,807	\$ 21,182	\$ 34,578





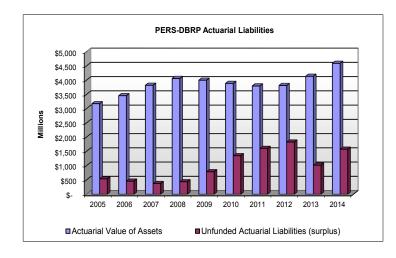


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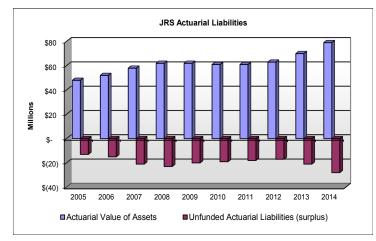
A Component Unit of the State of Montana

History of Actuarial Liabilities

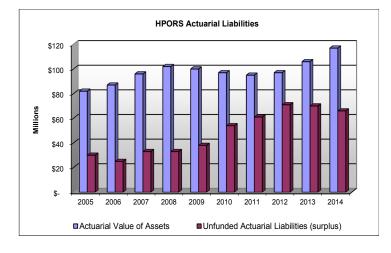
(in millions)



Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	3,179	541
2006	3,459	460
2007	3,825	376
2008	4,065	439
2009	4,002	791
2010	3,890	1,352
2011	3,801	1,610
2012	3,817	1,833
2013	4,140	1,021
2014	4,596	1,582

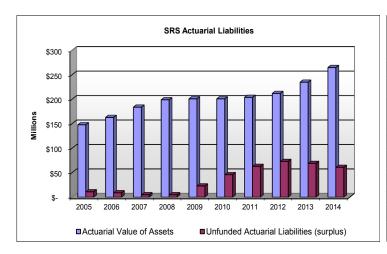


Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	48	(13)
2006	52	(15)
2007	58	(21)
2008	62	(23)
2009	62	(20)
2010	61	(19)
2011	61	(18)
2012	63	(17)
2013	70	(21)
2014	79	(28)

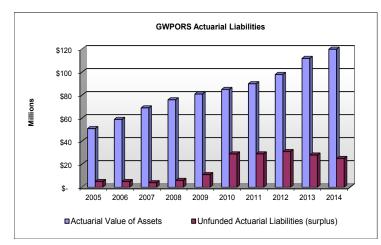


Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	82	30
2006	87	25
2007	96	33
2008	102	33
2009	100	38
2010	97	54
2011	95	61
2012	97	71
2013	106	70
2014	117	66

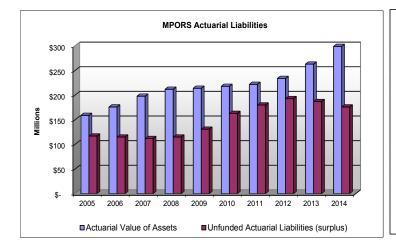
A Component Unit of the State of Montana History of Actuarial Liabilities (cont.) (in millions)



Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	148	11
2006	163	9
2007	184	5
2008	199	5
2009	201	23
2010	201	46
2011	204	63
2012	212	73
2013	235	69
2014	265	61

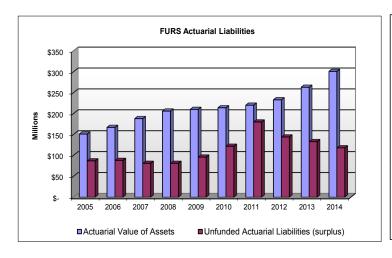


Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	51	5
2006	59	5
2007	69	4
2008	76	6
2009	81	11
2010	85	29
2011	90	29
2012	98	31
2013	112	28
2014	129	25

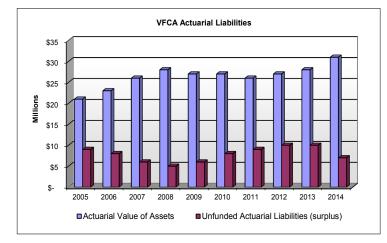


Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	159	117
2006	176	115
2007	198	112
2008	212	115
2009	214	131
2010	218	163
2011	222	180
2012	234	193
2013	263	187
2014	299	176

A Component Unit of the State of Montana **History of Actuarial Liabilities** (cont.) (in millions)



Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	151	87
2006	167	88
2007	188	81
2008	206	81
2009	210	96
2010	214	122
2011	220	180
2012	233	144
2013	263	133
2014	301	118



Fiscal Year	Actuarial Value of Assets	Unfunded Actuarial Liabilities (surplus)
2005	21	9
2006	23	8
2007	26	6
2008	28	5
2009	27	6
2010	27	8
2011	26	9
2012	27	10
2013	28	10
2014	31	7

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years

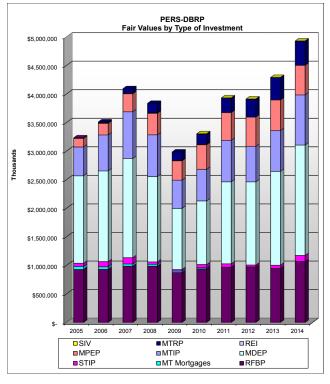
(in thousands)

System		2005		2006		2007	2008		2009		2010
PERS-DBRP ¹											
Fixed Income:											
Retirement Funds Bond Pool (RFBP)	\$	930,369	\$	932,048	\$	987,821	\$ 988,124	\$	876,390	\$	939,430
Montana Mortgages		50,658		43,097		36,861	31,837		24,055		19,185
Short Term Investment Pool (STIP)		58,112		92,362		111,318	41,820		27,140		56,727
Equities:											
Montana Domestic Equity Pool (MDEP)	1,	,529,418		1,586,747	1	1,735,718	1,494,306		1,070,435	1	,114,072
Montana International Equity Pool (MTIP)		505,112		630,135		818,362	730,360		494,790		552,712
Montana Private Equity Pool (MPEP)		150,595		203,406		315,059	376,615		338,517		430,729
Alternative Investments:											
Real Estate Investments (REI)		8,525		8,636		8,816	8,931		8,937		8,963
Montana Real Estate Pool (MTRP)				15,200		79,459	164,667		145,478		178,787
Structured Investment Vehicles (SIV)							4,306		2,619		3,640
Total	\$ 3	,232,789	\$:	3,511,631	\$ 4	1,093,414	\$ 3,840,966	\$ 2	2,988,361	\$ 3	3,304,245
Fixed Income: Short Term Investment Pool (STIP) Alternative Investments: Structured Investment Vehicles (SIV) Total											
JRS											
Fixed Income:											
Retirement Funds Bond Pool (RFBP)	\$	14,655	\$	14,685	\$	15,576	\$ 15,581	\$	14,019	\$	15,034
Short Term Investment Pool (STIP)		1,284		1,519		1,770	967		913		1,392
Equities:											
Montana Domestic Equity Pool (MDEP)		22,749		23,744		26,348	22,790		16,507		17,608
Montana International Equity Pool (MTIP)		7,507		9,365		12,162	10,973		7,551		8,732
Montana Private Equity Pool (MPEP)		2,229		3,047		4,744	5,733		5,224		6,725
Alternative Investments:											
Montana Real Estate Pool (MTRP)				225		1,206	2,515		2,247		2,820
Structured Investment Vehicles (SIV)							99		83		89
Total	\$	48,424	\$	52,585	\$	61,806	\$ 58,658	\$	46,544	\$	52,400

 $[\]ensuremath{^{1}\text{Does}}$ not include the Defined Benefit Education.

²Effective FY2014, DCRP-Disability was changed to PERS-DCRP Disability OPEB and reported as a Defined Benefit Plan.

	2011	2012			2013	2014			
¢	060 110	ď	074 120	ď	050 200	¢	1 060 E17		
\$	969,119	\$	974,139	\$	950,298	\$	1,069,517		
	59,256		33,708		54,005		103,602		
	1,434,773	1	,455,188		1,643,009		1,933,145		
	727,765		621,887		712,587		877,318		
	484,324		512,315		536,542		517,873		
	256,368		315,093		393,155		426,528		
	1,023		547		710		1,179		
\$	3,932,628	\$ 3	,912,877	\$	4,290,306	\$	4,929,162		
						\$	2,427		
							27		
						\$	2,454		
\$	15,497	\$	16,031	\$	16,034	\$	18,164		
	1,312		848		1,085		1,940		
	23,098		23,933		27,759		32,822		
	11,733		10,224		12,036		14,901		
	7,788		8,428		9,064		8,796		
	4,046		5,168		6,641		7,251		
	23		14		14		22		
\$	63,497	\$	64,646	\$	72,633	\$	83,896		



STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years (cont.)

(in thousands)

System		2005		2006		2007		2008		2009		2010
HPORS												
Fixed Income:												
Retirement Funds Bond Pool (RFBP)	\$	25,244	\$	24,889	\$	25,897	\$	25,614	\$	22,471	\$	24,091
Short Term Investment Pool (STIP)		1,978		2,134		2,785		1,014		774		1,461
Equities:												
Montana Domestic Equity Pool (MDEP)		39,376		40,232		43,439		37,406		26,680		27,848
Montana International Equity Pool (MTIP)		13,035		15,795		20,513		18,307		12,387		13,815
Montana Private Equity Pool (MPEP)		3,946		5,178		7,979		9,429		8,419		10,751
Alternative Investments:												
Montana Real Estate Pool (MTRP)				380		2,004		4,127		3,613		4,466
Structured Investment Vehicles (SIV)								104		70		94
Total	\$	83,579	\$	88,608	\$	102,617	\$	96,001	\$	74,414	\$	82,526
SRS												
Fixed Income:												
Retirement Funds Bond Pool (RFBP)	\$	45,890	\$	45,822	\$	49,551	\$	50,063	\$	45,693	\$	49,172
Short Term Investment Pool (STIP)		3,441		5,182		5,526		3,300		2,370		4,473
Equities:												
Montana Domestic Equity Pool (MDEP)		71,278		74,633		84,481		73,074		53,630		58,159
Montana International Equity Pool (MTIP)		23,457		29,263		38,004		35,060		24,673		28,703
Montana Private Equity Pool (MPEP)		6,941		9,508		14,859		18,271		17,060		22,037
Alternative Investments:												
Montana Real Estate Pool (MTRP)				710		3,796		8,054		7,311		9,259
Structured Investment Vehicles (SIV)								340		215		287
Total	\$	151,007	\$	165,118	\$	196,217	\$	188,162	\$	150,952	\$	172,090
OWDODO												
GWPORS Fixed Income:												
Retirement Funds Bond Pool (RFBP)	\$	15,471	\$	15,806	\$	18,332	\$	19,243	\$	18,518	\$	20,691
Short Term Investment Pool (STIP)	Ť	3,292	•	2,782	Ť	2,536	•	1,761	,	1,514	Ť	2,548
Equities:												
Montana Domestic Equity Pool (MDEP)		23,111		26,705		31,082		28,272		21,722		24,643
Montana International Equity Pool (MTIP)		7,705		10,518		14,344		13,545		10,000		12,513
Montana Private Equity Pool (MPEP)		2,170		3,330		5,497		7,008		6,949		9,262
Alternative Investments:												
Montana Real Estate Pool (MTRP)				255		1,404		3,115		2,981		3,954
Structured Investment Vehicles (SIV)						,		181		137		164
• , ,		51,749		59,396						61,821		73,775

_		2011		2012		2013	2014			
	Φ.	04.040	Ф	04.050	Φ.	04.000	•	07.040		
	\$	24,318	\$	24,653	\$	24,239	\$	27,240		
		1,521		847		1,355		2,585		
		35,969		36,840		41,883		49,217		
		18,258		15,732		18,165		22,336		
		12,136		12,958		13,673		13,184		
		6,313		7,963		10,031		10,862		
		26		14		18		29		
	\$	98,541	\$	99,007	\$	109,364	\$	125,453		
	\$	51,323	\$	53,636	\$	53,724	\$	61,417		
	Ψ	4,719	Ψ	2,715	Ψ	3,986	Ψ	6,984		
		4,7 10		2,710		0,000		0,004		
		76,580		80,065		92,868		110,982		
		38,871		34,234		40,321		50,346		
		25,806		28,179		30,325		29,720		
		13,434		17,308		22,245		24,475		
		82		44		52		77		
-	\$	210,815	\$	216,181	\$	243,521	\$	284,001		
-										
	\$	22,834	\$	24,510	\$	25,466	\$	29,848		
		2,257		1,476		1,896		3,546		
		34,017		36 60F		44,058		53,925		
		17,252		36,685 15,697		19,106		24,482		
		11,524		12,940		14,411		14,481		
		,02 1		,0 .0		,		. 1, 10 1		
		6,003		8,036		10,600		11,906		
_		39		24		25		39		
_	\$	93,926	\$	99,368	\$	115,562	\$	138,227		

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years (cont.)

(in thousands)

System	2005	2006	2007	2008	2009	2010
MPORS						
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 47,395	\$ 46,944	\$ 51,176	\$ 51,238	\$ 45,995	\$ 51,742
Short Term Investment Pool (STIP)	2,246	4,338	4,404	85	920	2,305
Equities:						
Montana Domestic Equity Pool (MDEP)	72,390	76,683	87,099	75,279	54,681	59,532
Montana International Equity Pool (MTIP)	24,555	30,633	39,784	36,707	25,207	29,350
Montana Private Equity Pool (MPEP)	7,138	10,089	15,547	18,999	17,242	23,192
Alternative Investments:						
Montana Real Estate Pool (MTRP)		730	4,102	8,274	7,437	9,547
Structured Investment Vehicles (SIV)				9	83	148
Total	\$ 153,724	\$ 169,417	\$ 202,112	\$ 190,591	\$ 151,565	\$ 175,816
FURS						
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 44,975	\$ 44,650	\$ 48,813	\$ 49,419	\$ 45,160	\$ 50,657
Short Term Investment Pool (STIP)	2,641	4,241	4,488	1,573	1,268	2,649
Equities:						
Montana Domestic Equity Pool (MDEP)	68,911	73,144	82,766	72,476	53,532	58,543
Montana International Equity Pool (MTIP)	23,361	29,143	37,848	34,970	24,862	29,067
Montana Private Equity Pool (MPEP)	6,797	9,587	14,850	18,175	16,890	22,703
Alternative Investments:						
Montana Real Estate Pool (MTRP)		700	3,744	7,962	7,260	9,403
Structured Investment Vehicles (SIV)				162	115	170
Total	\$ 146,685	\$ 161,465	\$ 192,509	\$ 184,737	\$ 149,087	\$ 173,192
VFCA						
Fixed Income:						
Retirement Funds Bond Pool (RFBP)	\$ 6,170	\$ 6,233	\$ 6,542	\$ 6,609	\$ 5,742	\$ 6,379
Short Term Investment Pool (STIP)	512	1,870	2,194	1,404	1,571	1,385
Equities:						
Montana Domestic Equity Pool (MDEP)	9,096	9,872	11,043	9,645	6,836	7,245
Montana International Equity Pool (MTIP)	3,294	4,023	5,258	4,731	3,140	3,567
Montana Private Equity Pool (MPEP)	992	1,341	1,951	2,411	2,115	2,806
Alternative Investments:						
Montana Real Estate Pool (MTRP)		95	504	1,047	898	1,124
Structured Investment Vehicles (SIV)				145	142	89
Total	\$ 20,064	\$ 23,434	\$ 27,492	\$ 25,992	\$ 20,444	\$ 22,595

	2011		2012		2013		2014
	\$ 53,729	\$	56,431	\$	57,237	\$	66,377
	2,593		1,472		2,819		6,007
	79,542		84,109		98,916		119,961
	40,334		35,975		42,936		54,440
	26,844		29,657		32,305		32,111
	13,981		18,220		23,681		26,516
	45		24		37		67
	\$ 217,068	\$	225,888	\$	257,931	\$	305,479
\$	53,467	\$	56,219	\$	57,369	\$	66,856
	2,766		1,632		3,077		6,327
	78,947		83,940		99,213		120,837
	40,044		35,869		43,017		54,855
	26,635		29,561		32,423		32,332
	10.000		40.475		00.774		00.007
	13,869		18,175 26		23,771 40		26,667
	215,776	\$	225,422	\$	258,910	\$	70 307,944
Ψ	213,770	Ψ	225,422	Ψ	230,910	Ψ	301,344
\$	6,415	\$	6,373	\$	6,092	\$	6,834
	1,655		1,704		1,949		2,322
	9,376		9,516		10,544		12,354
	4,753		4,066		4,559		5,603
	3,145		3,348		3,436		3,297
	1,637		2,057		2,491		2,726
	29		28		26		26
\$	27,010	\$	27,092	\$	29,097	\$	33,162

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Fair Values by Type of Investment, Last Ten Years (cont.)

System	2005	2006	2007	2008	2009	2010
PERS-DCRP ¹						
Fixed Income:						
Short Term Investment Pool (STIP) ²	\$ 421	\$ 874	\$ 1,381	\$ 2,015	\$ 2,464	\$ 2,774
Alternative Investments:						
Defined Contributions Fixed Annuity	1,546	1,832	1,805	3,128	4,820	6,725
Defined Contributions Variable Annuity	23,402	26,102	38,634	39,622	38,198	49,946
Structured Investment Vehicle (SIV)				188	205	167
Total	\$ 25,369	\$ 28,808	\$ 41,820	\$ 44,954	\$ 45,687	\$ 59,612
DEFERRED COMPENSATION PLAN						
Fixed Income:						
Short Term Investment Pool (STIP) ²	\$ 287	\$ 324	\$ 447	\$ 697	\$ 763	\$ 808
Alternative Investments:						
Deferred Comp Fixed Annuity	152,215	143,870	159,669	181,740	189,421	213,414
Deferred Comp Variable Annuity	86,916	104,061	128,873	115,151	89,388	106,893
Deferred Comp Life Insurance	12	12	12	12	12	12
Structured Investment Vehicle (SIV)				65	63	49
Total	\$ 239,430	\$ 248,267	\$ 289,001	\$ 297,665	\$ 279,648	\$ 321,176

¹ Effective FY2014, DCRP Disability was changed to PERS-DCRP Disability OPEB and reported as a Defined Benefit Plan.

² Effective FY2014, STIP will be included as an investment option for the DCRP and Deferred Compensation plans.

 2011	2012	2013	2014
\$ 3,308	\$ 3,512	\$ 3,742	\$ 1,206
7,971	9,500	10,573	10,015
67,271	73,769	90,794	117,713
 56	57	49	13
\$ 78,606	\$ 86,838	\$ 105,158	\$ 128,947
\$ 953	\$ 1,405	\$ 1,301	\$ 944
224,800	246,315	246,331	235,981
135,180	129,922	151,259	196,453
12	12	12	12
16	23	17	11
\$ 360,962	\$ 377,677	\$ 398,920	\$ 433,401



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 $A\ Component\ Unit\ of\ the\ State\ of\ Montana$

Schedule of Contribution Rate History

S-DBRP							
Fiscal			State & Universities	Local Gove	rnment	School Dist	ricts
Year	Men	nber	Employer	Employer	State	Employer	State
	Hired <07/01/11	Hired >07/01/11					
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.3709
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.3709
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%
1998-1999	6.800%		6.800%	6.700%	0.100%	6.700%	0.100%
1994-1997	6.700%		6.700%	6.700%		6.700%	
1993	6.550%		6.550%	6.550%		6.550%	
1992	6.417%		6.417%	6.417%		6.417%	
1991	6.300%		6.417%	6.417%		6.417%	
1990	6.150%		6.417%	6.417%		6.417%	
1984-1989	6.000%		6.417%	6.417%		6.417%	
1982-1983	6.000%		6.320%	6.320%		6.320%	
1979-1981	6.000%		6.200%	6.200%		6.200%	
1978	6.000%		5.950%	5.950%		5.950%	
1977	6.000%		5.550%	5.550%		5.550%	
1976	6.000%		5.200%	5.200%		5.200%	
1974-1975	5.750%		4.900%	4.900%		4.900%	
1972-1973	5.750%		4.600%	4.600%		4.600%	
1970-1971	5.750%		4.300%	4.300%		4.300%	
1968-1969	5.750%		3.800%	3.800%		3.800%	
1947-1967 *	2.5%-9.6%		3.300%	3.300%		3.300%	
1945-1947 *	2.5%-9.6%		3.000%	3.000%		3.000%	

^{*1945 - 1967} Member Contributions were based on age and gender.

•	- 1.
-	1

Fiscal		
Year	Member	Employer
1998-2014	7.000%	25.810%
1993-1997	7.000%	6.000%
1968-1992	6.000%	6.000%

Prior to 1998 the employer contributed 6% and additional contributions were received based on a portion of the District Court filing fees. In 1998 the filing fees were eliminated and the employer rate was increased to 25.81%.

A Component Unit of the State of Montana

Schedule of Contribution Rate History (cont.)

	DO	BC
H	PU	K5

	Member			
Fiscal				
Year	Non-GABA	GABA	Employer	State
2014	10.000%	10.050%	28.150%	10.180%
1998-2013	9.000%	9.050%	26.150%	10.180%
1992-1997	9.000%		26.100%	10.180%
1991	7.590%		26.100%	10.180%
1986-1990	7.590%		16.570%	10.180%
1982-1985	6.500%		16.570%	
1976-1981	6.500%		16.000%	
1975	6.500%		15.000%	
1971-1974	5.000%		8.000%	

SRS

Fiscal		
Year	Member	Employer
2010-2014	9.245%	10.115%
2008-2009	9.245%	9.825%
1998-2007	9.245%	9.535%
1997	7.865%	8.540%
1996	7.865%	8.535%
1986-1995	7.000%	7.670%
1982-1985	7.000%	7.620%
1975-1981	7.000%	7.550%

GWPORS

Fiscal		
Year	Member	Employer
2003-2014	10.560%	9.000%
1998-2002	8.500%	9.000%
1996-1997	7.900%	8.150%
1986-1995	7.900%	7.150%
1982-1985	7.000%	7.150%
1964-1981	7.000%	7.000%

A Component Unit of the State of Montana

Schedule of Contribution Rate History (cont.)

MPORS

_						
Fiscal Year	Hired <7/1/75	Hired >6/30/75	Hired >6/30/79	Hired >6/30/97 GABA	Employer	State
		-0/30/13	- 0/30/13	OADA	Linployer	Otate
2000-2014	5.800%	7.000%	8.500%	9.000%	14.410%	29.370%
1998-1999	7.800%	9.000%	10.500%	11.000%	14.410%	29.370%
1997	7.800%	9.000%	10.500%		14.360%	29.370%
1994-1996	7.800%	9.000%	10.500%		14.360%	15.660%
1993	7.800%	9.000%	10.500%		13.920%	15.660%
1992	6.000%	7.200%	8.700%		13.920%	15.660%
1986-1991	6.000%	6.000%	7.500%		13.020%	15.060%
1982-1985	6.000%	6.000%	7.500%		14.040%	14.040%
1980-1981	6.000%	6.000%	7.500%		14.000%	14.000%
1978-1979	6.000%	6.000%			12.000%	12.000%
1976-1977	6.000%	6.000%			11.000%	12.000%
1974-1975	6.000%				11.000%	12.000%

FURS

Member			
-GABA	GABA	Employer	State
9.500%	10.700%	14.360%	32.610%
7.800%		14.360%	32.610%
7.800%		14.360%	24.210%
6.000%		13.020%	24.210%
6.000%		13.020%	23.270%
6.000%		13.020%	22.980%
6.000%		18.000%	18.000%
6.000%		15.000%	15.000%
6.000%		12.000%	12.000%
	9.500% 7.800% 7.800% 6.000% 6.000% 6.000% 6.000%	9.500% 10.700% 7.800% 7.800% 6.000% 6.000% 6.000% 6.000%	9.500% 10.700% 14.360% 7.800% 14.360% 14.360% 6.000% 13.020% 6.000% 13.020% 6.000% 13.020% 6.000% 15.000% 15.000%

PERS-DCRP

			State & University	Local Gover	nment	School Di	stricts
Fiscal	Mer	mber					
Year	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2003-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

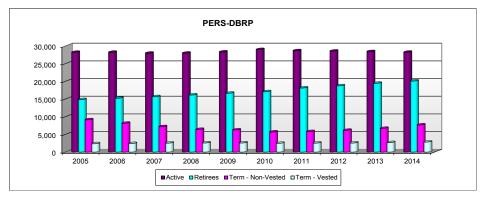
A Component Unit of the State of Montana

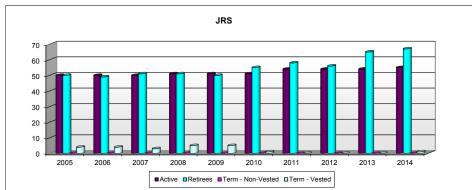
History of Membership in Retirement Plans, Last Ten Years

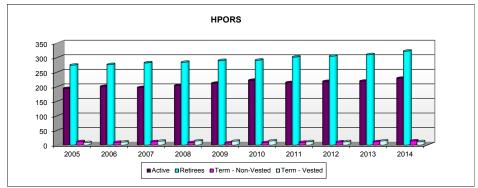
System	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PERS-DBRP										
Active	28,213	27,962	27,977	28,293	28,983	28,834	28,659	28,548	28,401	28,229
Retirees/Beneficiaries	15,220	15,654	16,137	16,627	17,075	17,512	18,123	18,738	19,451	20,081
Term-Non-Vested	8,153	7,178	6,401	6,268	5,670	5,402	5,787	6,164	6,712	7,666
Term-Vested	2,418	2,530	2,576	2,579	2,476	2,471	2,535	2,560	2,686	2,825
Total	54,004	53,324	53,091	53,767	54,204	54,219	55,104	56,010	57,250	58,801
JRS										
Active	50	50	51	51	51	51	54	54	54	55
Retirees/Beneficiaries	49	51	51	50	55	55	58	56	65	67
Term-Non-Vested										
Term-Vested	4	3	5	5	1	11				1
Total	103	104	107	106	107	107	112	110	119	123
HPORS										
Active	201	197	204	212	222	230	214	218	219	229
Retirees/Beneficiaries	276	282	284	290	291	295	302	305	310	322
Term-Non-Vested	9	11	8	7	8	6	9	10	11	14
Term-Vested	10	13	14	13	14	13	11	11	14	11
Total	496	503	510	522	535	544	536	544	554	576
SRS										
Active	680	1,006	1,076	1,109	1,185	1,181	1,230	1,241	1,276	1,307
Retirees/Beneficiaries	340	361	384	394	406	415	441	469	503	533
Term-Non-Vested	81	102	120	139	155	157	196	212	235	288
Term-Vested	42	39	38	46	41	36	48	60	67	73
Total	1,143	1,508	1,618	1,688	1,787	1,789	1,915	1,982	2,081	2,201

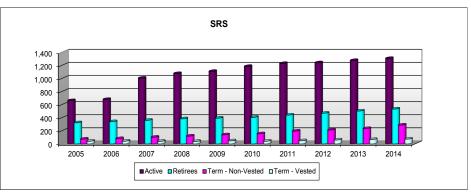
A Component Unit of the State of Montana

History of Membership in Retirement Plans, Last Ten Years









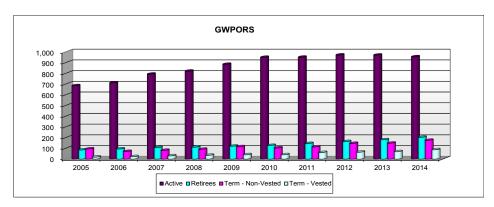
A Component Unit of the State of Montana

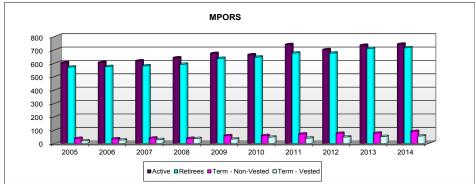
History of Membership in Retirement Plans, Last Ten Years (cont.)

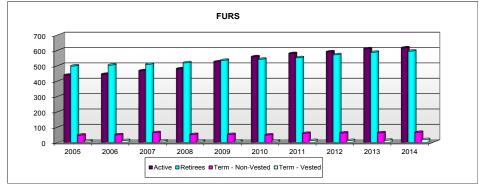
System	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GWPORS										
Active	711	793	821	885	950	966	951	972	971	955
Retirees/Beneficiaries	94	106	111	120	127	136	145	163	180	203
Term-Non-Vested	71	81	91	115	103	100	113	146	148	175
Term-Vested	22	30	35	40	40	47	61	64	69	87
Total	898	1,010	1,058	1,160	1,220	1,249	1,270	1,345	1,368	1,420
MPORS										
Active	605	617	640	673	663	727	739	701	734	743
Retirees/Beneficiaries	575	580	592	636	646	670	676	676	710	716
Term-Non-Vested	35	40	38	58	59	65	71	76	77	90
Term-Vested	26	29	37	34	48	47	40	49	52	55
Total _	1,241	1,266	1,307	1,401	1,416	1,509	1,526	1,502	1,573	1,604
			,							
FURS										
Active	444	467	480	525	558	570	579	590	610	616
Retirees/Beneficiaries	504	509	519	535	542	546	552	571	587	595
Term-Non-Vested	50	64	52	52	49	53	60	62	63	66
Term-Vested	13	10	9	9	9	13	13	13	15	19
Total _	1,011	1,050	1,060	1,121	1,158	1,182	1,204	1,236	1,275	1,296
VFCA										
Active	2,754	2,733	2,207	2,301	2,253	2,315	2,105	2,106	2,101	1,935
Retirees/Beneficiaries	966	1,001	1,038	1,082	1,103	1,149	1,183	1,242	1,285	1,332
Term-Vested	687	687	800	793	840	827	870	879	884	939
Total _	4,407	4,421	4,045	4,176	4,196	4,291	4,158	4,227	4,270	4,206

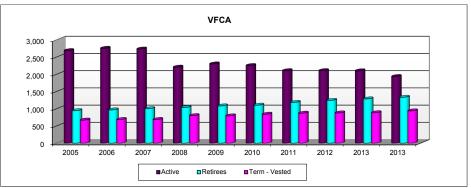
A Component Unit of the State of Montana

History of Membership in Retirement Plans, Last Ten Years







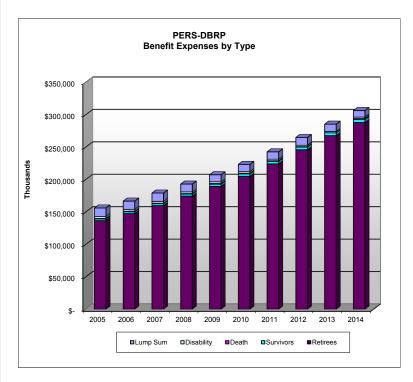


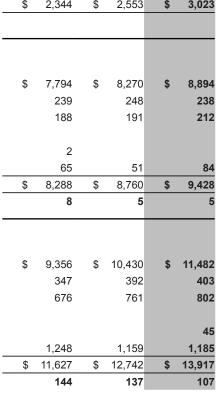
A Component Unit of the State of Montana

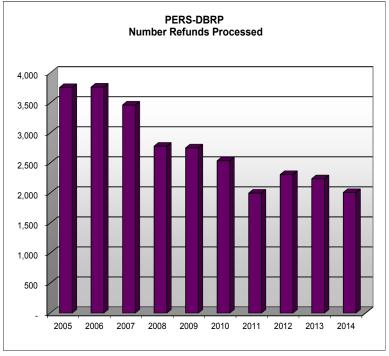
Schedule of Benefit Expenses and Refunds by Type, Last Ten Years

System	2005		2006	2007	2008	2009	2010	2011
PERS-DBRP								
Benefit Expenses								
Retirees	\$ 136,632	\$	147,502	\$ 159,790	\$ 174,357	\$ 189,360	\$ 204,885	\$ 224,108
Survivors	2,436		2,681	2,815	3,043	3,244	3,692	3,748
Disability	2,729		2,738	2,717	2,583	2,521	2,481	2,253
Refunds								
Death	992		965	866	832	1,277	1,128	1,114
Lump Sum	 13,236		12,754	12,868	12,124	10,821	10,967	11,302
Total	\$ 156,025	\$	166,640	\$ 179,056	\$ 192,939	\$ 207,223	\$ 223,153	\$ 242,525
Number of Lump Sum	3,756		3,763	3,465	2,779	2,751	2,537	1,998
JRS						1		
Benefit Expenses								
Retirees	\$ 1,583	\$	1,699	\$ 1,728	\$ 1,486	\$ 1,926	\$ 2,069	\$ 2,190
Survivors	41		44	44	335	46	49	50
Disability								
Refunds								
Death					8			
Lump Sum								
Total	\$ 1,624	\$	1,743	\$ 1,772	\$ 1,829	\$ 1,972	\$ 2,118	\$ 2,240
Number of Lump Sum								
HPORS						1		
Benefit Expenses								
Retirees	\$ 5,524	\$	6,061	\$ 6,181	\$ 6,505	\$ 6,821	\$ 7,198	\$ 7,462
Survivors	144		149	155	176	191	216	233
Disability	121		155	124	132	115	143	162
Refunds								
Death								9
Lump Sum	181		89	139	61	26	58	121
Total	\$ 5,970	\$	6,454	\$ 6,599	\$ 6,874	\$ 7,153	\$ 7,615	\$ 7,987
Number of Lump Sum	8		7	3	5	1	4	5
SRS								
Benefit Expenses								
Retirees	\$ 4,851	\$	5,439	\$ 5,997	\$ 6,435	\$ 6,878	\$ 7,291	\$ 8,273
Survivors	148		153	187	215	272	293	292
Disability	528		560	585	593	670	693	665
Refunds								
Death				1		38		7
Lump Sum	612		365	934	722	968	766	938
Total	\$ 6,139	9	6,517	\$ 7,704	\$ 7,965	\$ 8,826	\$ 9,043	\$ 10,175
Number of Lump Sum	60		71	153	146	141	125	102

	2012		2013		2014
\$	245,959	\$	267,690	\$	287,895
	3,968		4,240		4,512
	2,065		1,922		2,048
	770		169		1,728
	11,991		11,254		10,070
\$	264,753	\$	285,275	\$	306,253
	2,307		2,237		1,809
	-				
\$	2,291	\$	2,478	\$	2,911
Ψ	53	Ψ	75	Ť	112
			. 0		
\$	2,344	\$	2,553	\$	3,023







A Component Unit of the State of Montana

Schedule of Benefit Expenses and Refunds by Type, Last Ten Years (cont.)

System		2005		2006		2007		2008		2009		2010	2011
GWPORS													
Benefit Expenses													
Retirees	\$	1,509	\$	1,760	\$	2,022	\$	2,208	\$	2,427	\$	2,566 \$	2,801
Survivors		27		28		29		33		41		49	54
Disability		2		19		18		9				3	2
Refunds													
Death		1		27		16		21		53		4	6
Lump Sum		607		477		702		643		840		879	991
Total	\$	2,146	\$	2,311	\$	2,787	\$	2,914	\$	3,361	\$	3,501 \$	3,854
Number of Lump Sum		146		85		125		113		110		143	114
MPORS													
Benefit Expenses													
Retirees	\$	10,646	\$	11,256	\$	11,861	\$	12,827	\$	13,960	\$	14,652 \$	5,835
Survivors	Ψ	473	Ψ	491	*	517	Ψ.	547	Ψ	560	•	613	629
Disability		244		285		314		333		340		462	546
Refunds						0				0.0		.02	0.0
Death													3
DROP		510		234		502		3,777		148		407	449
Lump Sum		276		317		186		513		794		442	498
Total	\$	12,149	\$	12,583	\$	3,380	\$	17,997	\$	15,802	\$	16,576 \$	17,960
Number of Lump Sum		29		27		23		34		42		39	36
Number of DROP		6		3		5		20		5		5	5
FURS													
Benefit Expenses													
Retirees	\$	9,903	\$	10,527	\$	11,307	\$	12,788	\$	13,428	\$	14,031 \$	12,554
Survivors		398		408		412		442		433		427	479
Disability		85		105		131		124		126		140	2,560
Refunds													
Death						1							12
Lump Sum		101		46		241		116		70		86	128
Total	\$	10,487	\$	11,086	\$	2,092	\$	3,470	\$	14,057	\$	14,684 \$	15,733
Number of Lump Sum		6		8		21		16		13		8	6
VFCA													
Benefit Expenses													
Retirees	\$	1,494	\$	1,561	\$	1,635	\$	1,710	\$	1,779	\$	1,848 \$	1,938
Survivors	,	23		3		2		7	,	1	,	9	.,
Disability													
Total	\$	1,517	\$	1,564	\$	1,637	\$	1,717	\$	1,780	\$	1,857 \$	1,938

	2012		2013		2014
\$	3,106	\$	3,497	\$	3,789
	80		59		61
	7		19		60
	10				69
	1,227		841		1,187
\$	4,430	\$	4,416	\$	5,166
Ψ	130	Ψ	122	Ψ	110
	100		122		110
\$	16,195	\$	17,269	\$	18,245
	654		656		675
	504		538		530
	1				
	352		1,177		469
	355		656		549
	18,061	\$	20,296	\$	20,468
	37		44		36
	4		7		5
	-				
\$	15,884	\$	16,965	\$	18,106
	466		478		490
	169		227		252
					24
	119		73		166
	16,638	\$	17,743	\$	19,038
	13		6		9
\$	2,046	\$	2,819	\$	2,281
	2,040	~	,		
	2,040	•	, -		

STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Distributions Processed, Last Ten Fiscal Years

System	200	05	200)6	200)7	200	08	200)9	201	10	201	10
PERS-DCRP														
Number of Retirements		1		2		3		6		3		35		8
Number of Deaths		3		2		3		1		1		2		
Number of Full Refunds		97		115		145		106		145		116		182
Amount Refunded	\$	1,582	\$	1,475	\$	2,457	\$	2,254	\$	1,744	\$	1,438	\$	3,226
Number of Portial Potunda		0		10		10		10		2		12		75
Number of Partial Refunds Amount Refunded	\$	9 198	\$	10 96	\$	10 153	\$	10 243	\$	3 128	\$	13 198	\$	75 393
Number of Forfeitures		73		103		118		134		121		94		124
Amount of Contributions Forfeited ¹	\$	192	\$	264	\$	315	\$	215	\$	266	\$	318	\$	417

¹Members terminating with less than 5 years of membership service forfeit their employer contributions.

2	2012	2	2013	2	2014
	4		35		26
	1		5		8
	158		179		147
\$	3,077	\$	3,759	\$	3,616
	35		60		57
\$	323	\$	436	\$	967
Ψ	020	Ψ	100	Ψ	001
	98		75		72
\$		\$		\$	
\$	415	\$	398	\$	252

A Component Unit of the State of Montana

Retired Members by Type of Benefit

As of June 30, 2014

		Number of			
	Amount of	Amount of Retired			nent
	Monthly Benefit	Members	Regular	Disability	Survivor ²
PERS-DBRP					
	\$ 1 - 250	2,053	1,787	4	262
	251 - 500	3,559	3,067	36	456
	501 - 750	2,926	2,516	45	365
	751 - 1,000	2,269	1,933	35	301
	1,001 - 1,250	1,770	1,549	27	194
	1,251 - 1,500	1,295	1,143	12	140
	1,501 - 1,750	1,143	1,036	11	96
	1,751 - 2,000	986	901	5	80
	Over 2,000	4,080	3,906	5	169
	Total	20,081	17,838	180	2,063

		Number of						
	Amount of	Retired	Type of Retirement					
	Monthly Benefit	Members	Regular	Disability	Survivor ²			
PERS-DCRP								
Disability OPEB	\$ 1 - 250							
	251 - 500	1		1				
	501 - 750	2		2				
	751 - 1,000	1		1				
	1,001 - 1,250							
	1,251 - 1,500							
	1,501 - 1,750							
	1,751 - 2,000							
	Over 2,000							
	Total	4		4				

	Amount of	Number of Retired	т	Type of Retirement					
	Monthly Benefit	Members	Regular	Disability	Survivor ²				
JRS									
	\$ 1 - 250								
	251 - 500								
	501 - 750	1	1						
	751 - 1,000	1			1				
	1,001 - 1,250	2	1		1				
	1,251 - 1,500	6	3		3				
	1,501 - 1,750								
	1,751 - 2,000	2			2				
	Over 2,000	55	41		14				
	Total	67	46		21				

¹ Option Selected:

- 1 Beneficiary receives lump sum of member's unused contributions
- ${\bf 2}$ Beneficiary receives 100 percent of member's reduced monthly benefit
- 3 Beneficiary receives 50 percent of member's reduced monthly benefit
- $4\mbox{\ensuremath{\mbox{A}}}\mbox{-}\mbox{-}\mbox{Guaranteed}$ for the life of member or a minimum of 10 years after member's retirement
- 4B Guaranteed for the life of member or a minimum of 20 years after member's retirement
- $5\mbox{A}\mbox{ Survivorship benefit}\mbox{ guaranteed for life of beneficiary with GABA increases}$
- 5B Survivorship benefit guaranteed for life of beneficiary without GABA increases

² For the purposes of this schedule Survivor is anyone receiving a monthly benefit that is not the original member.

A Component Unit of the State of Montana

Retired Members by Type of Benefit

As of June 30, 2014

	Option Selected ¹								
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
PERS-DBRP									
	1,445	372	70	34	94	19	19	2,032	21
	2,411	760	152	47	135	46	8	3,544	15
	1,871	687	159	50	112	45	2	2,922	4
	1,425	517	172	33	86	36		2,266	3
	1,099	407	142	41	56	25		1,769	1
	763	346	118	27	30	11		1,293	2
	639	348	99	24	21	12		1,142	1
	556	264	120	11	24	11		986	
	2,244	1,035	557	97	122	25		4,080	
	12,453	4,736	1,589	364	680	230	29	20,034	47

			Opti	on Selected	 1				
	1	2	3	4A	4B	5A	5B	GABA ³	NON-GABA
DCRP-Disability									
PERS OPEB									
	1								1
	2								2
	1								1

			Optio	n Selected	1				
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
JRS									
	1								1
			1						1
	1					1			2
	1	4	1					2	4
		1				1		1	1
	13	31	6		3	2		28	27

3

36

16

GABA - Members covered under the Guaranteed Annual Benefit Adjustment

NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

 $^{^{3}}$ GABA is not an option for PERS DCRP-Disability OPEB retired members

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2014

		Number of						
	Amount of	Retired	٦	Type of Retirement				
	Monthly Benefit	Members	Regular	Disability	Survivor ²			
HPORS								
	\$ 1 - 250	4			4			
	251 - 500	8	4		4			
	501 - 750	9	5		4			
	751 - 1,000	5	1		4			
	1,001 - 1,250	2	2					
	1,251 - 1,500	12	8		4			
	1,501 - 1,750	22	16	2	4			
	1,751 - 2,000	78	49	2	27			
	Over 2,000	182	162	4	16			
	Total	322	247	8	67			

		Number of					
	Amount of	Retired	7	Type of Retirement			
	Monthly Benefit	Members	Regular	Disability	Survivor ²		
SRS							
	\$ 1 - 250	17	11	1	5		
	251 - 500	34	27	1	6		
	501 - 750	45	35	2	8		
	751 - 1,000	26	21	1	4		
	1,001 - 1,250	37	31		6		
	1,251 - 1,500	32	24	3	5		
	1,501 - 1,750	41	31	5	5		
	1,751 - 2,000	44	35	7	2		
	Over 2,000	257	235	15	7		
	Total	533	450	35	48		

		Number of					
	Amount of	Retired	-	Type of Retirement			
	Monthly Benefit	Members	Regular	Disability	Survivor ²		
GWPORS			·				
	\$ 1 - 250	1	1				
	251 - 500	22	19	1	2		
	501 - 750	25	22		3		
	751 - 1,000	22	15		7		
	1,001 - 1,250	22	17		5		
	1,251 - 1,500	18	15		3		
	1,501 - 1,750	14	13		1		
	1,751 - 2,000	13	11	1	1		
	Over 2,000	66	63		3		
	Total	203	176	2	25		

¹ Option Selected:

^{1 -} Beneficiary receives lump sum of member's unused contributions

^{2 -} Beneficiary receives 100 percent of member's reduced monthly benefit

^{3 -} Beneficiary receives 50 percent of member's reduced monthly benefit

 $^{4\}mbox{\ensuremath{\mbox{A}}}\mbox{-}\mbox{-}\mbox{Guaranteed}$ for the life of member or a minimum of 10 years after member's retirement

⁴B - Guaranteed for the life of member or a minimum of 20 years after member's retirement

⁵A - Survivorship benefit - guaranteed for life of beneficiary with GABA increases

⁵B - Survivorship benefit - guaranteed for life of beneficiary without GABA increases

² For the purposes of this schedule Survivor is anyone receiving a monthly benefit that is not the original member.

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2014

			0	ption Selecte	ed ¹				
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
HPORS									
		1				3		4	
	1	6				1		3	5
	1	6				2		5	4
	1	1				3		2	3
		2						1	1
		12						8	4
	3	19						9	13
	9	67				2		22	56
	25	154				3		172	10
	40	268				14		226	96

			Op	tion Selecte	d¹				
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
SRS									
	7	5	1			4		16	1
	9	18	4		3			34	
	23	14	4		2	2		45	
	10	12	1	1	1	1		25	1
	17	15	2		2	1		37	
	13	14	3		1	1		32	
	16	18	2		2	3		41	
	18	15	3	2	4	2		43	1
	135	70	28	14	8	2		257	
	248	181	48	17	23	16		530	3

	Option Selected ¹								
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
GWPORS									
	1							1	
	10	7	2		2	1		22	
	13	5	3		2	2		25	
	10	4	3		1	4		22	
	11	3	6	1	1			22	
	7	6	5					18	
	10	4						14	
	5	5	1	1	1			13	
	29	25	7		5			66	
	96	59	27	2	12	7		203	

GABA - Members covered under the Guaranteed Annual Benefit Adjustment NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2014

		Number of					
	Amount of	Retired	Type of Retirement				
	Monthly Benefit	Members	Regular	Disability	Survivor ⁴		
MPORS ²							
	\$ 1 - 250	17	17				
	251 - 500	9	9				
	501 - 750	17	17				
	751 - 1,000	8	8				
	1,001 - 1,250	7	6		1		
	1,251 - 1,500	18	10		8		
	1,501 - 1,750	100	58	1	41		
	1,751 - 2,000	117	75	4	38		
	Over 2,000	423	342	16	65		
	Total	716	542	21	153		
		Number of					

		Number of					
	Amount of	Retired	Type of Retirement				
	Monthly Benefit	Members	Regular	Disability	Survivor⁴		
FURS							
	\$ 1 - 250	31	20		11		
	251 - 500	19	18		1		
	501 - 750	5	4		1		
	751 - 1,000	7	7				
	1,001 - 1,250	9	9				
	1,251 - 1,500	12	8		4		
	1,501 - 1,750	36	20		16		
	1,751 - 2,000	99	49	1	49		
	Over 2,000	377	320	9	48		
	Total	595	455	10	130		

		Number of			
	Amount of	Retired	•	Type of Retirer	nent
	Monthly Benefit	Members	Regular	Disability	Survivor⁴
VFCA					
	\$ 1 - 250	1,330	1,327		3
	251 - 500	2	2		
	501 - 750				
	751 - 1,000				
	1,001 - 1,250				
	1,251 - 1,500				
	1,501 - 1,750				
	1,751 - 2,000				
	Over 2,000				
	Total	1,332	1,329		3

¹ Option Selected (excluding the VFCA):

- 1 Beneficiary receives lump sum of member's unused contributions
- 2 Beneficiary receives 100 percent of member's reduced monthly benefit
- 3 Beneficiary receives 50 percent of member's reduced monthly benefit
- 4A Guaranteed for the life of member or a minimum of 10 years after member's retirement
- $4\mbox{\ensuremath{B}}$ Guaranteed for the life of member or a minimum of 20 years after member's retirement
- 5A Survivorship benefit guaranteed for life of beneficiary with GABA increases
- 5B Survivorship benefit guaranteed for life of beneficiary without GABA increases

 $^{^{\}rm 2}$ MPORS does not include DROP members

³ Option Selected VFCA:

^{1 -} Member receiving monthly benefit

² and 5A - Benefit paid to survivor equal to member's full or partial benefit. Benefit is limited to 40 months including any pension paid to member before death.

⁴ For the purposes of this schedule, Survivor is anyone receiving a monthly benefit that is not the original member.

A Component Unit of the State of Montana

Retired Members by Type of Benefit (cont.)

As of June 30, 2014

	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
MPORS									
	2	15						14	3
	4	5						9	
	9	8						15	2
	5	3						8	
	4	3						6	1
		17				1		17	1
	11	79				10		94	6
	15	96				6		105	12
	54	361				8		384	39
	104	587				25		652	64

			Op	tion Selecte	d¹				
	1	2	3	4A	4B	5A	5B	GABA	NON-GABA
FURS									
	2	28				1		24	7
	5	14						13	6
	1	4						5	
	2	5						7	
	2	7						7	2
	2	10						10	2
	2	30				4		34	2
	2	91				6		99	
	44	324				9		354	23
	62	513				20		553	42

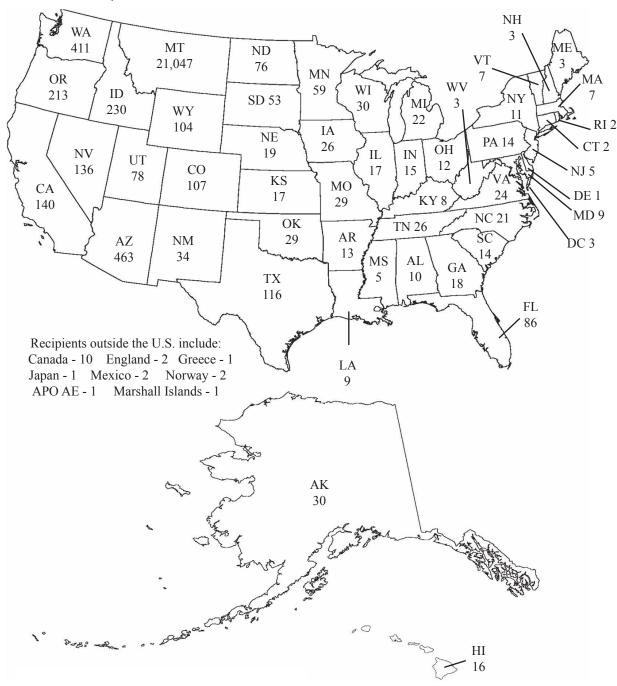
	Option Se	lected ³			
	1	2		GABA	NON-GAE
VFCA		-			
	1,326	4		N/A	N
	2				
	1,328	4			

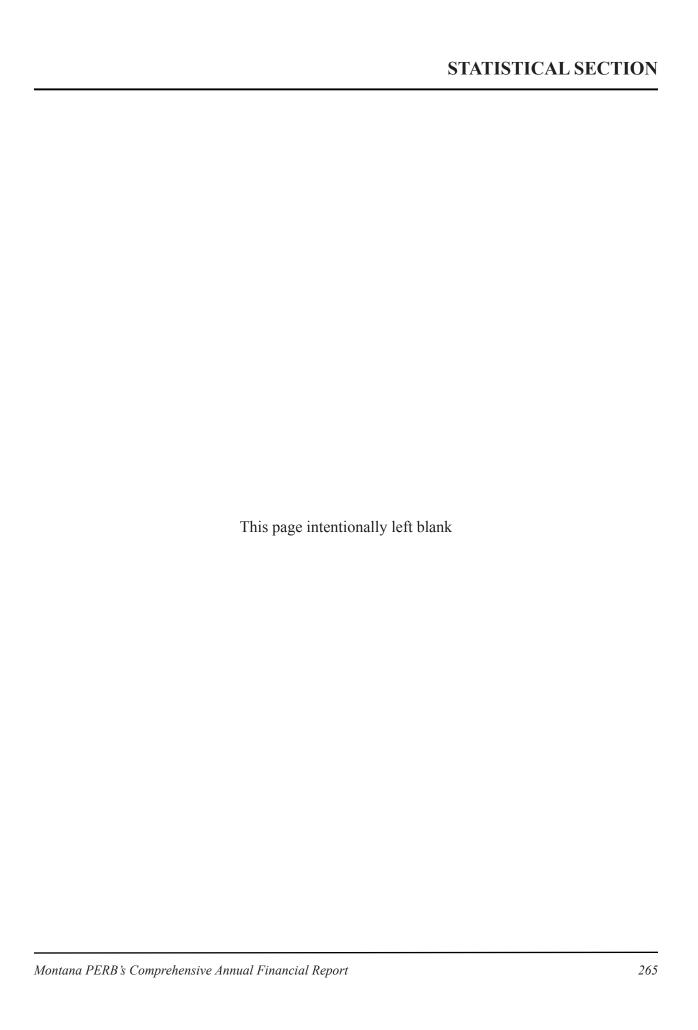
GABA - Members covered under the Guaranteed Annual Benefit Adjustment NON-GABA - Members not covered under the Guaranteed Annual Benefit Adjustment

A Component Unit of the State of Montana

Distribution of Defined Benefit Recipients by Location

as of June 30, 2014





STATISTICAL SECTION

Public Employees' Retirement Board

A Component Unit of the State of Montana

Schedule of Active Members by Age and Gender

As of June 30, 2014

System	Ages	Male	Female	Total	System	Ages	Male	Female	Total
PERS-DBF	RP Under 20	22	29	51	GWPORS	Under 20			
	20 - 29	933	1,224	2,157		20 - 29	99	31	130
	30 - 39	1,922	2,540	4,462		30 - 39	172	78	250
	40 - 49	2,598	3,413	6,011		40 - 49	216	61	277
	50 - 59	4,179	5,701	9,880		50 - 59	148	53	201
	60 - 69	2,091	2,536	4,627		60 - 69	42	10	52
	70 & Older	200	181	381		70 & Older	2	1	3
	Unknown 1			660		Unknown 1			42
	Total	11,945	15,624	28,229		Total	679	234	955
JRS	Under 20			,	MPORS	Under 20	1		1
	20 - 29					20 - 29	101	16	117
	30 - 39	1		1	[30 - 39	239	15	254
	40 - 49	2	1	3	ļ	40 - 49	244	18	262
	50 - 59	12	10	22	ļ	50 - 59	86	1	87
	60 - 69	22	1	23	ļ	60 - 69	11	1	12
	70 & Older	4	1	5		70 & Older			
	Unknown 1			1		Unknown 1			10
	Total	41	13	55		Total	682	51	743
HPORS	Under 20			,	FURS	Under 20			
	20 - 29	25	4	29		20 - 29	93	2	95
	30 - 39	72	4	76		30 - 39	226	12	238
	40 - 49	84	2	86	ļ	40 - 49	187		187
	50 - 59	31	3	34		50 - 59	82	1	83
	60 - 69	3		3	ļ	60 - 69	11		11
	70 & Older					70 & Older			
	Unknown 1			1	ļ	Unknown 1			2
	Total	215	13	229		Total	599	15	616
SRS	Under 20	3	1	4	PERS-DCR	P Under 20	1		1
	20 - 29	227	39	266	[20 - 29	54	95	149
	30 - 39	319	67	386	ļ	30 - 39	248	311	559
	40 - 49	299	50	349	[40 - 49	299	303	602
	50 - 59	184	27	211	ļ	50 - 59	279	328	607
	60 - 69	57	6	63	ļ	60 - 69	104	133	237
	70 & Older	4	1	5	ļ	70 & Older	8	5	13
	Unknown 1			23	ļ	Unknown 1			20
	Total	1,093	191	1,307		Total	993	1,175	2,188

¹ Membership data not received as of June 30, 2014.

VFCA not included because membership data not required on members until retirement.

A Component Unit of the State of Montana

Schedule of Retired Members by Age and Gender

As of June 30, 2014

System	Ages	Male	Female	Total	System	Ages	Male	Female	Total
PERS-DBI	RP Under 20				GWPORS	Under 20			
	20 - 29					20 - 29			
	30 - 39					30 - 39			
	40 - 49	19	17	36		40 - 49	2		2
	50 - 59	696	673	1,369		50 - 59	43	3	46
	60 - 69	3,941	3,983	7,924		60 - 69	78	12	90
	70 & Older	5,418	5,334	10,752		70 & Older	63	2	65
	Total	10,074	10,007	20,081		Total	186	17	203
JRS	Under 20				MPORS	Under 20			
	20 - 29					20 - 29			
	30 - 39					30 - 39	3	1	4
	40 - 49					40 - 49	43	9	52
	50 - 59		1	1		50 - 59	147	7	154
	60 - 69	16	4	20		60 - 69	253	4	257
	70 & Older	46		46		70 & Older	247	2	249
	Total	62	5	67		Total	693	23	716
HPORS	Under 20				FURS	Under 20			
	20 - 29					20 - 29			
	30 - 39	2	1	3		30 - 39	2		2
	40 - 49	24	3	27		40 - 49	19		19
	50 - 59	39	4	43		50 - 59	118	1	119
	60 - 69	86	5	91		60 - 69	196		196
	70 & Older	158		158		70 & Older	257	2	259
	Total	309	13	322		Total	592	3	595
SRS	Under 20				VFCA	Under 20			
	20 - 29				ļ	20 - 29			
	30 - 39	2		2		30 - 39			
	40 - 49	24		24		40 - 49			
	50 - 59	143	10	153		50 - 59	110	2	112
	60 - 69	226	6	232		60 - 69	532	38	570
	70 & Older	117	5	122		70 & Older	620	30	650
	Total	512	21	533		Total	1,262	70	1,332

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years

PERS - Defined Benefit Retirement Plan

Years of Credited Service

			i ears c	of Credited Se	IVICE		
Retirement Effective Dates	0-	-4 5-9	10-14	15-19	20-24	25-29	30+
Period 7/1/2013 - 6/30/2014 Average monthly benefit Average HAC¹ Number of retired members	\$ 2,74 1,84	•	\$ 766 2,484 176	2,596	\$ 2,094 2,587 173	\$ 2,031 3,157 188	\$ 2,986 3,587 194
Period 7/1/2012 - 6/30/2013 Average monthly benefit ¹ Average HAC ¹ Number of retired members	2,54 2,20 4		3,140	3,406	1,531 3,520 184	2,043 3,975 172	3,109 4,729 264
Period 7/1/2011 - 6/30/2012 Average monthly benefit Average HAC¹ Number of retired members	1,98 1,60 5			3,234	2,153 3,322 173	3,585 4,152 182	3,411 4,537 242
Period 7/1/2010 - 6/30/2011 Average monthly benefit Average HAC¹ Number of retired members	2,57 2,04 4		2,954	3,061	2,459 3,384 149	2,782 3,862 179	3,040 4,472 293
Period 7/1/2009 - 6/30/2010 Average monthly benefit Average HAC¹ Number of retired members	1,93 2,12 4		2,664	4,382	2,281 3,373 114	2,237 4,001 138	3,543 4,528 163
Period 7/1/2008 - 6/30/2009 Average monthly benefit Average HAC¹ Number of retired members	4,47 2,08 2		2,921	3,048	2,097 3,280 102	2,246 3,860 168	3,130 4,376 211
Period 7/1/2007 - 6/30/2008 Average monthly benefit Average HAC¹ Number of retired members	51 2,04 2		2,492	2,929	2,119 2,901 126	2,251 3,423 180	2,973 4,017 196
Period 7/1/2006 - 6/30/2007 Average monthly benefit Average HAC¹ Number of retired members	1,40 2,21 2		2,304		1,257 2,878 129	1,973 3,239 144	3,154 3,849 188
Period 7/1/2005 - 6/30/2006 Average monthly benefit Average HAC ¹ Number of retired members	29 1,69 1		2,298	2,919	1,295 2,625 110	1,867 3,009 132	2,959 3,730 193
Period 7/1/2004 - 6/30/2005 Average monthly benefit Average HAC¹ Number of retired members	27	0 334 6 135			1,313	1,854 126	2,916 130

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006.

The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Judges' Retirement System

				Years	of Cred	lited Serv	/ice			
Retirement Effective Dates	0-4	5-9)	10-14		15-19		20-24	25-29	30+
Period 7/1/2013 - 6/30/2014 Average monthly benefit Average HAC¹ Number of retired members					\$	2,792	\$	4,899 9,800 1	\$ 5,088 9,800 1	
Period 7/1/2012 - 6/30/2013 Average monthly benefit ¹ Average HAC ¹ Number of retired members			\$	2,809 9,427 3		4,783 9,703 3		6,474 9,494 1	5,961 9,494 3	
Period 7/1/2011 - 6/30/2012 Average monthly benefit Average HAC¹ Number of retired members										
Period 7/1/2010 - 6/30/2011 Average monthly benefit Average HAC¹ Number of retired members		\$ 2,263 8,906		2,980 7,842 1		5,136 9,201 2			6,231 8,906 1	
Period 7/1/2009 - 6/30/2010 Average monthly benefit Average HAC¹ Number of retired members								5,437 9,797 1		
Period 7/1/2008 - 6/30/2009 Average monthly benefit Average HAC¹ Number of retired members		1,449 8,270 1)	3,404 8,270 1		4,927 8,296 2		4,837 8,158 1		
Period 7/1/2007 - 6/30/2008 Average monthly benefit Average HAC¹ Number of retired members				4,989 8,849 1						
Period 7/1/2006 - 6/30/2007 Average monthly benefit Average HAC¹ Number of retired members				3,920 7,841 1						
Period 7/1/2005 - 6/30/2006 Average monthly benefit Average HAC¹ Number of retired members		2,806 8,407 1							5,192 7,841 1	
Period 7/1/2004 - 6/30/2005 Average monthly benefit Average HAC¹ Number of retired members				4,614						

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006. The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Highway Patrol Officers' Retirement System

Years of Credited Service **Retirement Effective Dates** 0-4 5-9 15-19 20-24 25-29 30+ Period 7/1/2013 - 6/30/2014 470 \$ 2.489 \$ 3.318 4.896 Average monthly benefit Average HAC1 2.279 5.234 6.641 Number of retired members 1 8 2 Period 7/1/2012 - 6/30/2013 Average monthly benefit 1,963 3,147 3,254 Average HAC1 3,925 5,702 7,273 Number of retired members 3 Period 7/1/2011 - 6/30/2012 Average monthly benefit 690 3,017 3,999 Average HAC1 4,714 5,440 5,383 Number of retired members Period 7/1/2010 - 6/30/2011 2,598 Average monthly benefit 1,746 3,126 Average HAC1 4,354 4,815 5,355 Number of retired members 2 3 3 Period 7/1/2009 - 6/30/2010 476 195 2,610 2,539 3,660 Average monthly benefit 3,731 4,039 4,638 4,494 4,952 Average HAC1 Number of retired members 4 Period 7/1/2008 - 6/30/2009 Average monthly benefit 1,995 2,392 2,835 Average HAC¹ 3,511 4,263 6,231 Number of retired members Period 7/1/2007 - 6/30/2008 Average monthly benefit 2,064 738 12,802 2,219 3,520 Average HAC¹ 3,415 3,450 3,974 4,451 4,517 Number of retired members 5 Period 7/1/2006 - 6/30/2007 Average monthly benefit 1,881 Average HAC¹ 3,976 Number of retired members Period 7/1/2005 - 6/30/2006 Average monthly benefit 1,959 2,451 3,386 4,984 3,635 3,678 Average HAC1 3,092 4,840 Number of retired members 1 1 Period 7/1/2004 - 6/30/2005 Average monthly benefit 1,455 2,857 3,122 4,402

Average HAC1

Number of retired members

2

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006. The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Sheriffs' Retirement System

Years of Credited Service

			rears of	Credited Se	rvice		
Retirement Effective Dates	0-4	5-9	10-14	15-19	20-24	25-29	30+
Period 7/1/2013 - 6/30/2014							
Average monthly benefit	\$ 411	\$ 491	\$ 941	\$ 2,211	\$ 2,778	\$ 2,854	\$ 3,676
Average HAC ¹	354	3,281	3,074	5,393	5,673	3,688	6,893
Number of retired members	2	7	4	5	6	3	3
Period 7/1/2012 - 6/30/2013							
Average monthly benefit	1,604	600	1,474	1,775	2,859	3,441	5,518
Average HAC ¹	3,559	4,147	4,453	4,423	5,466	4,932	6,428
Number of retired members	1	5	13	5	12	2	1
Period 7/1/2011 - 6/30/2012							
Average monthly benefit	3,764	6,830	1,810	2,682	2,551	3,544	4,091
Average HAC ¹	3,367	3,121	4,944	5,493	4,680	4,873	6,286
Number of retired members	3	6	4	2	9	2	7
Period 7/1/2010 - 6/30/2011							
Average monthly benefit	604	661	1,561	2,804	2,514	3,988	5,645
Average HAC1	6,500	4,199	3,890	5,466	4,778	5,912	6,842
Number of retired members	1	4	3	5	12	4	6
Period 7/1/2009 - 6/30/2010							
Average monthly benefit	1,949	1,408	869	1,757	3,265	3,630	4,014
Average HAC ¹	3,464	4,282	3,652	4,674	5,600	4,946	5,878
Number of retired members	1	2	4	2	4	3	1
Period 7/1/2008 - 6/30/2009							
Average monthly benefit	1,287	545		1,828	2,765	4,211	5,409
Average HAC ¹	2,579	3,405		3,745	4,718	6,003	6,204
Number of retired members	1	3		2	2	2	1
Period 7/1/2007 - 6/30/2008							
Average monthly benefit	979	1,411	1,157	3,121	2,365	2,663	5,922
Average HAC ¹	2,121	3,403	2,650	5,228	4,265	4,061	5,503
Number of retired members	2	4	2	1	5	3	1
Period 7/1/2006 - 6/30/2007							
Average monthly benefit	6,714	999	1,606	1,871	2,016	3,690	3,690
Average HAC ¹	1,130	3,676	4,385	3,734	3,848	5,276	4,412
Number of retired members	1	4	3	7	12	2	3
Period 7/1/2005 - 6/30/2006							
Average monthly benefit		681	801	1,574	2,785	3,291	3,534
Average HAC ¹		2,799	3,188	3,358	4,285	4,054	3,958
Number of retired members		1	6	2	8	5	1
Period 7/1/2004 - 6/30/2005							
Average monthly benefit		199	1,137	1,442	1,869	3,688	
Average HAC ¹					4.0		
Number of retired members		3	4	3	11	1	

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006.

The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Game Wardens' and Peace Officers' Retirement System

Years of Credited Service **Retirement Effective Dates** 0-4 5-9 15-19 20-24 25-29 30+ Period 7/1/2013 - 6/30/2014 \$ 604 1.100 1.632 2.505 2.047 Average monthly benefit 2.781 714 3.484 2.507 3.695 Average HAC1 Number of retired members 4 5 9 4 1 Period 7/1/2012 - 6/30/2013 Average monthly benefit 2,502 5,224 1,086 1,225 3,524 3,890 Average HAC1 2,695 2,595 3,316 3,820 6,679 5,795 Number of retired members 6 Period 7/1/2011 - 6/30/2012 Average monthly benefit 624 1,205 1,941 3,886 3,938 4,693 Average HAC1 3,164 4,027 Number of retired members Period 7/1/2010 - 6/30/2011 3,328 Average monthly benefit 4,914 607 1,142 1,298 3,718 Average HAC1 3,257 3,904 3,368 4,427 4,205 Number of retired members 4 6 Period 7/1/2009 - 6/30/2010 5,706 1,253 4,019 Average monthly benefit 577 3,039 3,888 4,192 Average HAC1 2,507 Number of retired members 6 1 Period 7/1/2008 - 6/30/2009 Average monthly benefit 1,804 528 1,663 3,569 Average HAC¹ 2,925 2,318 3,670 3,904 Number of retired members Period 7/1/2007 - 6/30/2008 Average monthly benefit 655 930 1,959 3,138 3,726 Average HAC¹ 3,234 3,044 3,537 3,768 4,300 Number of retired members 6 1 Period 7/1/2006 - 6/30/2007 Average monthly benefit 490 2,444 4,287 Average HAC¹ 2,134 4,676 3,964 Number of retired members Period 7/1/2005 - 6/30/2006 Average monthly benefit 541 1,158 1,165 3,622 2,660 Average HAC1 3,248 3,044 4,076 Number of retired members 6 2 2 6 Period 7/1/2004 - 6/30/2005 Average monthly benefit 559 1,984 4,835 Average HAC1

Number of retired members

2

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006.

The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Municipal Police Officers' Retirement System

Years of Credited Service

			10010	n Grountou G			
Retirement Effective Dates	0-4	5-9	10-14	15-19	20-24	25-29	30+
Period 7/1/2013 - 6/30/2014 Average monthly benefit Average HAC¹ Number of retired members		\$ 709 3,028 1	\$ 1,914 4,595 2	\$ 2,850 5,699	\$ 3,211 5,116 8	\$ 4,264 6,655 1	
Period 7/1/2012 - 6/30/2013 Average monthly benefit Average HAC¹ Number of retired members	\$ 525 6,801 5	1,173 4,075 3	571 2,093 1	2,242 4,664 6	2,968 5,261 17	3,286 5,516 6	
Period 7/1/2011 - 6/30/2012 Average monthly benefit Average HAC¹ Number of retired members	120 5,411 2	1,157 4,023 3	1,211 4,289 1	1,308 2,584 2	2,980 5,117 7		\$ 5,534 6,411 2
Period 7/1/2010 - 6/30/2011 Average monthly benefit Average HAC1 Number of retired members	265 5,617 3	2,247 4,113 1	1,757 4,862 1	2,529 3,907 5	2,856 4,831 8	4,367 5,893 1	
Period 7/1/2009 - 6/30/2010 Average monthly benefit Average HAC¹ Number of retired members	987 3,905 4	1,619 3,354 4	2,296 4,618 4	2,467 4,541 4	2,090 3,801 10	2,988	5,942 6,594 1
Period 7/1/2008 - 6/30/2009 Average monthly benefit Average HAC¹ Number of retired members		2,363 4,199 1		2,049 4,574 5	2,165 4,042 7	4,229 5,120 1	5,177 5,383 2
Period 7/1/2007 - 6/30/2008 Average monthly benefit Average HAC¹ Number of retired members	105 5,911 10	1,695 3,341 3	1,300 3,736 2	2,797 4,816 3	2,568 4,235 13	3,621 4,589 14	4,840 4,507 2
Period 7/1/2006 - 6/30/2007 Average monthly benefit Average HAC¹ Number of retired members	1,046 2,452 2		1,821 3,209 6	2,422 3,907 4	2,399 4,111 12	4,228 4,759 2	
Period 7/1/2005 - 6/30/2006 Average monthly benefit Average HAC¹ Number of retired members	1,620 2,707 3		1,424 4,067 1	3,613 5,875 1	2,936 4,243 4	6,207 6,220 1	5,808 5,527 2
Period 7/1/2004 - 6/30/2005 Average monthly benefit Average HAC¹ Number of retired members	1,820	1,288	2,267	2,339	3,345	4,512	6,396

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006.

The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Firefighters' Unified Retirement System

Years of Credited Service

Retirement Effective Dates 0-4 5-9 10-14 15-19 20-24 25-29 30+ Period 7/1/2013 - 6/30/2014 1.382 1.766 3.265 4.054 5.532 Average monthly benefit 2 430 5.161 5.865 6.684 2.539 5.931 6.559 Average HAC1 Number of retired members 2 1 5 4 2 3 Period 7/1/2012 - 6/30/2013 Average monthly benefit 1,429 430 1,399 1,183 4,609 5,987 Average HAC1 2,859 2,974 4,549 2,175 6,656 6,686 Number of retired members 2 5 6 5 Period 7/1/2011 - 6/30/2012 Average monthly benefit 1,723 3,031 3,332 3,958 4,663 5,885 5,585 6,638 6,837 Average HAC1 5,614 Number of retired members 5 Period 7/1/2010 - 6/30/2011 2,266 3,989 Average monthly benefit 272 4,006 3,675 Average HAC1 1,506 4,814 5,945 5,075 4,480 Number of retired members 9 Period 7/1/2009 - 6/30/2010 2,014 2,806 238 2,786 3,804 4,157 Average monthly benefit 3,686 4,986 1,716 4,496 5,146 5,433 Average HAC1 Number of retired members 2 3 5 Period 7/1/2008 - 6/30/2009 Average monthly benefit 1,126 2,022 3,960 3,983 4,844 Average HAC¹ 3,989 3,593 5,928 5,037 4,876 Number of retired members 5 Period 7/1/2007 - 6/30/2008 Average monthly benefit 2,345 1,733 2,455 3,811 4,924 Average HAC¹ 3,453 2,902 4,248 4,736 4,944 Number of retired members 8 9

2,196

3,625

1,323

1,595

3,254

2,682

4,235

1

3,340

5,431

2,561

4,333

2,107

2

2,873

3,665

3,763

5,005

2,397

5

4,005

4,588

2,858

3,919

2,851

3

5,751

5,694

5,043

4,480

4,278

8

1,374

2,749

Period 7/1/2006 - 6/30/2007 Average monthly benefit

Period 7/1/2005 - 6/30/2006 Average monthly benefit

Period 7/1/2004 - 6/30/2005 Average monthly benefit

Number of retired members

Number of retired members

Number of retired members

Average HAC¹

Average HAC1

Average HAC1

¹HAC = Highest Average Compensation during any consecutive 36 months unavailable prior to FY2006.

The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Average Benefit Payments, Last Ten Fiscal Years (cont.)

Volunteer Firefighters' Compensation Act

Years of Credited Service

		Years of	of Credited So	ervice		
Retirement Effective Dates	0-4 5-9	10-14	15-19	20-24	25-29	30+
Period 7/1/2013 - 6/30/2014 Average monthly benefit Average HAC¹ Number of retired members	\$ 75 9	·	\$ 140 20	\$ 169 15	\$ 210 9	\$ 238 4
Period 7/1/2012 - 6/30/2013 Average monthly benefit Average HAC¹ Number of retired members	75 9		143	173	207	253 3
Period 7/1/2011 - 6/30/2012 Average monthly benefit Average HAC¹ Number of retired members	75		136 28	169	211 7	239 5
Period 7/1/2010 - 6/30/2011 Average monthly benefit Average HAC1 Number of retired members	75 5		145	172 14	211	
Period 7/1/2009 - 6/30/2010 Average monthly benefit Average HAC¹ Number of retired members	76		424 19	168 24	946	
Period 7/1/2008 - 6/30/2009 Average monthly benefit Average HAC¹ Number of retired members	75		145	166 16	219	
Period 7/1/2007 - 6/30/2008 Average monthly benefit Average HAC¹ Number of retired members	75		148	167 23	213	225
Period 7/1/2006 - 6/30/2007 Average monthly benefit Average HAC¹ Number of retired members	75 5		144	167 17	205	225 6
Period 7/1/2005 - 6/30/2006 Average monthly benefit Average HAC¹ Number of retired members		96 14	148	166 24	206	225
Period 7/1/2004 - 6/30/2005 Average monthly benefit Average HAC¹ Number of retired members	446		367 27	174	210	

¹HAC = Highest Average Compensation is not applicable to the VFCA. Members are unpaid volunteers and do not contribute to the fund. The Average monthly benefit could be skewed in this schedule due to retroactive retirement dates.

A Component Unit of the State of Montana

Schedule of Average Monthly Benefit Payments, All Retirees

For the Fiscal Year Ended 2014

	Years of			1	Recipien	ts' Age					
System	Service	< 45	45-49	50-54	55-59	60-64	65-69	70-74	75-79	Over 80	Average
PERS-DBRP	0-4	\$ 189	\$ 265	\$ 126	\$ 164	\$ 230	\$ 242	\$ 271	\$ 232	\$ 244	\$ 240
	5-9	266	352	352	296	347	351	336	330	288	327
	10-14	985	578	506	511	624	685	581	539	480	574
	15-19	398	712	708	721	919	916	877	821	726	835
	20-24		1,364	1,091	1,466	1,297	1,308	1,182	1,100	1,001	1,184
	25-29		2,184	2,225	2,111	2,106	2,015	1,742	1,600	1,384	1,850
	30-34		2,706	3,058	2,972	3,039	2,735	2,422	2,074	1,757	2,565
	35-39				3,704	3,731	3,333	3,021	2,692	2,152	3,090
	40-UP				5,824	3,963	3,798	4,075			3,512
	Average	\$ 502	\$ 1,042	\$ 1,682	\$ 1,794	\$ 1,595	\$ 1,433	\$ 1,197	\$ 1,064	\$ 870	\$ 1,265
JRS	0-4						-				
JNJ	5-9						\$ 1,470		\$ 2.806	\$ 2,017	¢ 1032
	10-14					\$ 2,980		\$ 2,812		3,289	3,225
	15-19				\$ 2,792		5,031	4,594		3,064	3,863
	20-24				Ψ 2,702	6,474	4,868	4,004	4,000	0,004	5,404
	25-29					6,792	5,677	5,348	5,088	5,774	5,643
	30-34					0,102	0,011	6,231		6,712	6,552
	35-39							0,201		0,7 12	0,002
	40-UP										
	Average				\$ 2,792	\$ 5,200	\$ 3,791	\$ 4,413	\$ 4,069	\$ 3,347	\$ 3,758
						·	·	·			
HPORS	0-4	\$ 2,002				\$ 1,724					\$ 1,572
	5-9	1,978	72		\$ 2,004	1,995	1,380			\$ 1,516	1,191
	10-14	2,255	2,372	988		1,400	638		\$ 301	833	1,041
	15-19	2,490	2,429		2,514	1,780		\$ 1,982		926	1,863
	20-24	3,025	3,326	2,583	2,697		2,059	1,811		1,720	2,197
	25-29		3,748	3,910	2,935	3,800	3,173	2,752			2,797
	30-34					4,343	4,252	3,633			3,441
	35-39						5,285	5,144	4,413		4,184
	40-UP	* 0.405	¢ 0 450	¢ 0 470	A 0.045	* 0.044	* 0.000	A 0 570	¢ 0.070	4,266	4,266
	Average	\$ 2,195	\$ 2,453	\$ 2,472	\$ 2,615	\$ 2,811	\$ 2,660	\$ 2,576	\$ 2,279	\$ 1,936	\$ 2,416
SRS	0-4	\$ 908	\$ 1,604	\$ 1,655	\$ 1,384	\$ 1,924	\$ 1,120		\$ 249	\$ 171	\$ 1,332
	5-9	201	1,900	1,031	567	794	801	\$ 931	706	428	819
	10-14	2,695	2,404	1,037	1,269	1,301	922	1,053	1,018	868	1,184
	15-19	2,559	2,893	1,808	2,325	1,316	1,358	1,651	1,526	1,009	1,581
	20-24	3,080	2,893	2,500	2,228	2,406	2,068	2,039	1,510	790	2,257
	25-29			3,334	3,210	3,507	3,471	3,227	2,090	1,470	3,000
	30-34				5,879	4,166	4,300	3,554		1,929	4,191
	35-39					6,379	3,192	5,922	3,299	3,488	3,982
	40-UP										
	Average	\$ 1,656	\$ 2,574	\$ 2,134	\$ 2,161	\$ 2,299	\$ 1,926	\$ 2,369	\$ 1,392	\$ 1,163	\$ 2,045

A Component Unit of the State of Montana

Schedule of Average Monthly Benefit Payments, All Retirees (cont.)

For the Fiscal Year Ended 2014

Seyton		Years of							Re	cipien	ts'	s Age										
Fundamental	System	Service		< 45		45-49		50-54		55-59		60-64		65-69		70-74		75-79	0	ver 80	Αv	erage
10-14	GWPORS	0-4							\$	323	\$	370	\$	460							\$	406
15-19		5-9	\$	421			\$	794		488		588		700	\$	575						610
20-24		10-14								1,126		1,154		1,190		1,120	\$	1,624				1,172
25-29		15-19			\$	1,780		1,724		1,477		1,382		1,697		1,234			\$	899		1,410
Name		20-24						2,090		2,591		1,772		1,287		1,758		1,725		1,337		1,817
## 35-39 3,991 4,652 3,163 3,322 2,693 3,258 40-UP 4,441 4,468 5,51 5,56 5,56 5,56 5,59 2,258 2,226 1,153 9,96 1,224 1,356 1,894 1,601 1,852 1,575 10-14 2,468 2,363 1,447 1,783 1,558 1,700 1,760 2,089 1,771 1,742 15-19 2,850 2,429 2,094 2,049 2,199 2,035 1,773 1,772 2,111 2,083 20-24 3,142 2,595 2,788 2,458 2,313 2,476 2,152 1,980 1,980 2,315 25-29 4,264 4,254 3,438 4,084 3,905 3,417 3,020 2,347 3,552 30-34 4,911 5,674 4,642 2,706 2,500 4,638 35-39 4,695 4,695 4,695 4,094 4		25-29						2,047		2,865				2,504		2,384		2,079		1,472		2,163
## Average 1,859 1,861 5,15 48 5,51 966 8,41 1,640 1,683 968 1,97 1,631 1,760 2,025 1,771 1,72 1,635 1,014 2,468 2,363 1,447 1,783 1,558 1,700 1,760 2,029 1,771 1,742 1,742 1,742 1,742 1,743 1,558 1,700 1,760 2,029 1,771 1,742 1,742 1,519 2,850 2,429 2,094 2,049 2,199 2,035 1,773 1,772 2,111 2,083 2,024 3,142 2,595 2,788 2,458 2,313 2,476 2,152 1,980 1,980 2,315 2,529 4,264 4,254 3,438 4,084 3,905 3,417 3,020 2,347 3,552 30-34 4,911 5,674 4,642 2,706 2,500 4,638 35-39 4,049 4,695		30-34						3,812		3,816		3,470		3,595		3,624		2,885		2,026		3,135
MPORS O-4 \$ 1,859 \$ 1,861 \$ 515 \$ 48 \$ 551 \$ 966 \$ 841 \$ 1,640 \$ 1,683 \$ 968 \$ 5-9		35-39								3,991		4,652		3,163		3,322				2,693		3,258
MPORS 0-4 \$ 1,859 \$ 1,861 \$ 515 \$ 48 \$ 551 \$ 966 \$ 841 \$ 1,640 \$ 1,683 \$ 968 \$ 5-9 2,258 2,226 1,153 996 1,224 1,356 1,894 1,601 1,852 1,575 10-14 2,468 2,363 1,447 1,783 1,558 1,700 1,760 2,089 1,771 1,742 15-19 2,850 2,429 2,094 2,049 2,199 2,035 1,773 1,772 2,111 2,083 20-24 3,142 2,595 2,788 2,458 2,313 2,476 2,152 1,980 1,980 2,315 25-29 4,264 4,254 3,438 4,084 3,905 3,417 3,020 2,347 3,552 30-34 4,695 2,294 \$ 2,049 2,199 4,695 2,706 2,500 4,638 35-39 4,695 2,779 3,737 40-UP Average \$ 2,314 \$ 2,488 \$ 2,271 \$ 2,225 \$ 2,356 \$ 2,616 \$ 2,294 \$ 2,058 \$ 2,013 \$ 2,297 \$ 2,225 \$ 2,198 732 546 911 1,383 \$ 1,873 \$ 2,345 1,310 10-14 2,252 \$ 2,881 2,383 1,441 1,827 1,443 1,302 2,051 \$ 1,591 1,719 15-19 2,523 2,881 2,383 1,797 2,211 1,726 1,180 1,681 1,855 1,837 20-24 3,111 2,297 2,581 2,603 2,234 2,212 1,841 1,631 1,845 2,105 25-29 3,929 3,581 3,893 3,781 3,366 2,918 2,224 1,791 2,901 30-34 35-39 40-UP Average \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 \$ 2,004 4 1,00		40-UP												4,441								4,441
FURS 5-9		Average	\$	421	\$	1,780	\$	2,040	\$	1,966	\$	1,297	\$	1,531	\$	1,768	\$	2,199	\$	1,747	\$	1,685
FURS 5-9	MDODS	0.4	Φ.	1 050	Φ	1 061	¢	515	Ф	10	Φ	551	¢	066	Ф	0/1	Ф	1 640	¢	1 602	Φ.	069
FURS 10-14	WFORS						φ				φ		φ				φ		φ		φ	
FURS 0-4 \$ 2,099 \$ 1,659 \$ 1,925 \$ 2,356 \$ 2,616 \$ 2,294 \$ 2,058 \$ 2,051 \$ 2,779 \$ 3,737 \$ 1,772 \$ 2,111 \$ 2,083 \$ 35-39 \$ 2,225 \$ 2,188 \$ 2,313 \$ 2,476 \$ 2,152 \$ 1,980 \$ 1,980 \$ 2,315 \$ 30-34 \$ 4,264 \$ 4,254 \$ 3,438 \$ 4,084 \$ 3,905 \$ 3,417 \$ 3,020 \$ 2,347 \$ 3,552 \$ 3,040-UP \$																						
FURS																						
FURS																						
## A company of the c			,	J, 142																		
## Average \$ 2,314 \$ 2,488 \$ 2,271 \$ 2,225 \$ 2,356 \$ 2,616 \$ 2,294 \$ 2,058 \$ 2,013 \$ 2,297 ### FURS O-4						4,204		4,234		3,430												
## Average \$ 2,314 \$ 2,488 \$ 2,271 \$ 2,225 \$ 2,356 \$ 2,616 \$ 2,294 \$ 2,058 \$ 2,013 \$ 2,297 ### FURS O-4														5,07 =		7,072		2,700				
FURS O-4 \$ 2,099 \$ 1,659 \$ 1,925 \$ 1,429 \$ 1,993 \$ 1,873 \$ 2,345 \$ 1,310 \$ 10-14 \$ 2,727 \$ 1,933 \$ 1,441 \$ 1,827 \$ 1,443 \$ 1,302 \$ 2,051 \$ 1,591 \$ 1,719 \$ 15-19 \$ 2,523 \$ 2,881 \$ 2,977 \$ 2,581 \$ 2,603 \$ 2,234 \$ 2,212 \$ 1,841 \$ 1,631 \$ 1,845 \$ 2,105 \$ 25-29 \$ 3,929 \$ 3,581 \$ 3,389 \$ 3,781 \$ 3,366 \$ 2,918 \$ 2,224 \$ 1,791 \$ 2,901 \$ 30-34 \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 \$ 2,244 \$ 1,591 \$ 1,591 \$ 1,719 \$ 1,591 \$ 1,719 \$ 1,000 \$ 1,												7,000								2,113		0,101
FURS 0-4 \$ 2,099 \$ 1,659 \$ 1,925 \$ 1,429 \$ 1,993 \$ 1,873 \$ 2,345 1,310 10-14 2,727 1,933 1,441 1,827 1,443 1,302 2,051 \$ 1,591 1,719 15-19 2,523 2,881 2,383 1,797 2,211 1,726 1,180 1,681 1,855 1,837 20-24 3,111 2,297 2,581 2,603 2,234 2,212 1,841 1,631 1,845 2,105 25-29 3,929 3,581 3,893 3,781 3,366 2,918 2,224 1,791 2,901 30-34 35-39 5,978 5,439 5,189 5,192 5,693 3,076 4,898 40-UP Average \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 2 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 40-UP			\$:	2.314	\$	2.488	\$	2.271	\$	2.225	\$	2.356	\$	2.616	\$	2.294	\$	2.058	\$	2.013	\$	2.297
VFCA 0-4 5-9 10-14 2,727 1,933 1,441 1,827 1,443 1,302 2,051 \$ 1,591 1,719 15-19 2,523 2,881 2,383 1,797 2,211 1,726 1,180 1,681 1,855 1,837 20-24 3,111 2,297 2,581 2,603 2,234 2,212 1,841 1,631 1,845 2,105 25-29 3,929 3,581 3,893 3,781 3,366 2,918 2,224 1,791 2,901 30-34 351 5,332 4,909 4,587 4,636 2,975 2,288 4,394 35-39 5,978 5,439 5,189 5,192 5,693 3,076 4,898 40-UP Average \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 225 228 35-39 40-UP		, troidge		_,•	•	2, 100	•	_,	•	2,220	•	2,000	•	2,010	•	2,20 :	•	2,000	•	2,0.0	•	_,
VFCA 10-14 2,727 1,933 1,441 1,827 1,443 1,302 2,051 \$ 1,591 1,719 15-19 2,523 2,881 2,383 1,797 2,211 1,726 1,180 1,681 1,855 1,837 20-24 3,111 2,297 2,581 2,603 2,234 2,212 1,841 1,631 1,845 2,105 25-29 3,929 3,581 3,893 3,781 3,366 2,918 2,224 1,791 2,901 30-34 351 5,332 4,909 4,587 4,636 2,975 2,288 4,394 40-UP Average \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 228 35-39 40-UP	FURS	0-4	\$ 2	2,099			\$	1,659	\$	1,925	\$	1,429	\$	1,993							\$	1,857
15-19		5-9	:	2,225	\$	2,198		732		546		911		1,383	\$	1,873	\$	2,345				1,310
VFCA 0-4 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-9 10-14 5-19 225 15-19 225 15-19 225 15-19 225 200 201 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 40-UP		10-14				2,727		1,933		1,441		1,827		1,443		1,302		2,051	\$	1,591		1,719
VFCA 0-4 5-9 10-14 25-29 10-14 25-29 20-24 15-9 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 20-24 25-29 200 201 27 28 293 293 225 225 225 225 229 200 201 27 28 293 293 225 225 225 229 200 201 207 20-24 20-		15-19	2	2,523		2,881		2,383		1,797		2,211		1,726		1,180		1,681		1,855		1,837
30-34 351 5,332 4,909 4,587 4,636 2,975 2,288 4,394 5,978 5,439 5,189 5,192 5,693 3,076 4,898 40-UP Average \$ 2,341 \$ 2,677 \$ 2,573 \$ 3,134 \$ 3,088 \$ 3,171 \$ 2,778 \$ 2,265 \$ 1,912 \$ 2,694 VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 225 239 40-UP		20-24		3,111		2,297		2,581		2,603		2,234		2,212		1,841		1,631		1,845		2,105
5,978 5,439 5,189 5,192 5,693 3,076 4,898 VFCA 0-4 5-9 10-14 \$ 105 \$ 86 88 87 86 85 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 225 239 40-UP		25-29				3,929		3,581		3,893		3,781		3,366		2,918		2,224		1,791		2,901
VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 20-24 159 20-24 159 200 201 197 198 201 193 199 30-34 35-39 40-UP		30-34						351		5,332		4,909		4,587		4,636		2,975		2,288		4,394
VFCA O-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 20-24 159 20-24 159 200 201 197 198 201 193 199 30-34 230 228 225 239 40-UP		35-39								5,978		5,439		5,189		5,192		5,693		3,076		4,898
VFCA 0-4 5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 228 35-39 40-UP																						
5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 35-39 293 225 225 239 40-UP		Average	\$ 2	2,341	\$	2,677	\$	2,573	\$	3,134	\$	3,088	\$	3,171	\$	2,778	\$	2,265	\$	1,912	\$	2,694
5-9 10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 35-39 293 225 225 239 40-UP	VFCA	0-4			_		_		_		_		_		_		_		_		_	
10-14 \$ 105 \$ 86 \$ 88 \$ 87 \$ 86 \$ 85 \$ 87 15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 225 239 40-UP 200 201 <t< th=""><th></th><th>5-9</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></t<>		5-9																				
15-19 225 130 123 127 127 124 127 20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 225 239 40-UP									\$	105	9	86	,	\$ 88	9	87	9	86	9	\$ 85	9	87
20-24 159 159 161 164 164 163 162 25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 225 228 35-39 293 225 225 239 40-UP																						
25-29 200 201 197 198 201 193 199 30-34 230 228 227 225 225 228 35-39 293 225 225 239 40-UP																						
30-34 230 228 227 225 225 228 35-39 293 225 225 239 40-UP																						
35-39 293 225 225 239 40-UP																						
40-UP																						
									,	179	\$	150	,	\$ 142	,	140	,	137	Ş	\$ 136	\$	145

A Component Unit of the State of Montana

Principal Participating Employers

Current Year and Nine Years Ago

	As	of June 30, 20	014	As	of June 30, 2	2005
	Covered		Percentage of Total	Covered		Percentage of Total
Participating Government	Employees 1	Rank	System	Employees ¹	Rank	System
PERS-DBRP						
STATE OF MONTANA ²	10,696	1	37.50	10,439	1	36.92
UNIVERSITY OF MONTANA	1,326	2	4.65	1,208	2	4.27
MONTANA STATE UNIVERSITY - BOZEMAN	963	3	3.38	1,053	3	3.72
MISSOULA COUNTY	601	4	2.11	596	4	2.11
CITY OF BILLINGS	574	5	2.01	528	5	1.87
SCHOOL DISTRICT 1 - GREAT FALLS	426	6	1.49	448	6	1.58
FLATHEAD COUNTY	392	7	1.37	407	7	1.44
SCHOOL DISTRICT 2 - BILLINGS	354	8	1.24	374	10	1.32
CASCADE COUNTY	351	9	1.23	393	8	1.39
CITY OF GREAT FALLS	347	10	1.22	340	11	1.20
YELLOWSTONE COUNTY	286	14	1.00	383	9	1.35
"All other" *	12,209		42.80	12,108		42.83
TOTAL (508 EMPLOYERS)	28,525		100.00	28,277		100.00

* In 2014, "all other" con	sisted of:	
<u>Type</u>	Number	Employees
Cities & Tow Counties Other Agenc School Distri Universities Total	51 ties 111	2,425 3,769 1,205 4,452 358 12,209

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members, and members with dual retirement system elections.

²For the purposes of this schedule the "State of Montana" is considered one employer. There are a total of 34 State of Montana agencies reporting to PERS-DBRP.

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

		As of June 30, 201	14	As of June 30, 2005			
Participating Government	Covered Employees ¹	Rank	Percentage of Total System	Covered Employees ¹	Rank	Percentage of Total System	
<u>JRS</u>							
STATE OF MONTANA ²	55	1	100.00	50	1	100	
TOTAL (1 EMPLOYER)	55		100.00	50		100	
HPORS .							
STATE OF MONTANA ²	230	1	100.00	227	1	100	
TOTAL (1 EMPLOYER)	230		100.00	227		100	
SRS							
MISSOULA COUNTY YELLOWSTONE COUNTY CASCADE COUNTY GALLATIN COUNTY FLATHEAD COUNTY LEWIS & CLARK COUNTY STATE OF MONTANA ² RAVALLI COUNTY DAWSON COUNTY LAKE COUNTY LINCOLN COUNTY In 2014 "All other" consists of 46 Counties TOTAL (57 EMPLOYERS)	130 105 104 96 87 66 61 47 46 43 29 499	1 2 3 4 5 6 7 8 9 10	9.90 8.00 7.92 7.31 6.63 5.03 4.65 3.58 3.50 3.27 2.21	47 53 35 42 46 39 40 31 8 21 19	2 1 7 4 3 6 5 8 26 9 10	6.78 7.65 5.05 6.06 6.64 5.63 5.77 4.47 1.15 3.03 2.74 45.03	
GWPORS STATE OF MONTANA ² MONTANA STATE UNIVERSITY - BOZEMAN UNIVERSITY OF MONTANA MONTANA STATE UNIVERSITY - BILLINGS	909 22 14 7	1 2 3 4	95.48 2.31 1.47 0.74	687 11 12 2	1 3 2 4	96.49 1.54 1.69 0.28	
TOTAL (4 EMPLOYERS)	952		100.00	712		100.00	

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with mulitple employers, June 30th refunded members, and members with dual retirement system elections.

² For the purposes of this schedule the "State of Montana" is considered one employer. For JRS, HPORS and SRS there is only one State of Montana agency. There are four State of Montana agencies reporting under GWPORS.

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

	As	of June 30, 2	014	As	of June 30, 20	005
			Percentage			Percentage
	Covered		of Total	Covered		of Total
Participating Government	Employees 1	Rank	System	Employees 1	Rank	System
MPORS						
CITY OF BILLINGS	140	1	18.67	124	1	20.39
CITY OF MISSOULA	102	2	13.60	94	2	15.46
CITY OF GREAT FALLS	84	3	11.20	79	3	12.99
CITY OF BOZEMAN	60	4	8.00	42	5	6.91
CITY OF HELENA	51	5	6.80	50	4	8.22
BUTTE-SILVER BOW	47	6	6.27	40	6	6.58
CITY OF KALISPELL	33	7	4.40	31	7	5.10
ANACONDA-DEER LODGE COUNTY	20	8	2.67	20	9	3.29
CITY OF HAVRE	20 18	9	2.40	20	8	3.29
CITY OF WHITEFISH	18	10	2.40	13	12	2.14
CITY OF MILES CITY	16	11	2.13	13	10	2.14
In 2014 "All other" consists of 21 Cities	161		21.46	82		13.49
TOTAL (32 EMPLOYERS)	750		100.00	608		100.00
<u>FURS</u>						
CITY OF BILLINGS	113	1	18.08	105	1	21.92
CITY OF MISSOULA	91	2	14.56	76	2	15.87
CITY OF GREAT FALLS	65	3	10.40	64	3	13.57
CITY OF BOZEMAN	45	4	7.20	30	6	6.26
CITY OF HELENA	35	5	5.60	34	4	7.10
BUTTE-SILVER BOW	34	6	5.44	31	5	6.47
MISSOULA RURAL FIRE DISTRICT	34	7	5.44	31	3	0.47
CITY OF KALISPELL	30	8	4.80	27	7	5.64
		9				
CITY OF HAVRE	17		2.72	17	10	3.55
STATE OF MONTANA ²	17	10	2.72	6	15	1.25
CITY OF LEWISTOWN	7	20	1.12	23	8	4.80
CITY OF GLENDIVE	5	22	0.80	18	9	3.76
In 2014 "All other" consists of 6 Cities						
and 7 Rural Fire District	132		21.12	47		9.81
TOTAL (25 EMPLOYERS)	625		100.00	479		100.00

VFCA

280

Participating employers is not applicable to VFCA because members are unpaid volunteers.

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members, and members with dual retirement system elections.

² For the purposes of this schedule the "State of Montana" is considered one employer. For FURS there is only one State of Montana agency.

A Component Unit of the State of Montana

Principal Participating Employers (cont.)

Current Year and Nine Years Ago

	As of June 30, 2014			As	2005	
	Covered		Percentage of Total	Covered		Percentage of Total
Participating Government	Employees ¹	Rank	System	Employees	Rank	System
PERS-DCRP						
STATE OF MONTANA ²	1022	1	46.27	585	1	42.89
YELLOWSTONE CITY-COUNTY HEALTH DEPT	73	2	3.30	20	6	1.47
MISSOULA COUNTY	62	3	2.81	44	2	3.23
UNIVERSITY OF MONTANA	53	4	2.40	25	4	1.83
CITY OF BILLINGS	52	5	2.35	42	3	3.08
MONTANA STATE UNIVERSITY - BOZEMAN	52	6	2.35	19	8	1.39
CITY OF MISSOULA	31	7	1.40	20	7	1.47
CITY OF BOZEMAN	28	8	1.27	17	11	1.25
GALLATIN COUNTY	26	9	1.18	19	9	1.39
FLATHEAD COUNTY	25	10	1.13	16	12	1.17
YELLOWSTONE COUNTY	24	11	1.09	23	5	1.69
BUTTE SILVER BOW	23	12	1.04	18	10	1.32
"All other *	738		33.41	516		37.82
TOTAL (234 EMPLOYERS)	2,209		100.00	1,364		100.00

2014, "all other" consist	ed of:	
Туре	Number	Employees
Cities & Towns	47	143
Counties	40	231
Other Agencies	39	97
School Districts	93	259
Universities	3	8
Total	222	738

Deferred Compensation Plan						
STATE OF MONTANA ²	4,096	1	87.17	4,462	1	92.53
UNIVERSITY OF MONTANA	102	2	2.17	141	2	2.92
LEWIS AND CLARK COUNTY	101	3	2.15			
CITY OF HELENA	99	4	2.11		3	
MONTANA STATE UNIVERSITY - BOZEMAN	57	5	1.21	115	4	2.38
GREAT FALLS TRANSIT	32	6	0.68	46		0.95
FALLON COUNTY	26	7	0.55			
SANDERS COUNTY	25	8	0.53			
MONTANA STATE UNIVERSITY - BILLINGS	20	9	0.43	21	5	0.44
CITY OF POLSON	17	10	0.36			
SCHOOL DISTRICT 2 - BILLINGS	10	12	0.21	2	10	0.04
BIG SKY WATER & SEWER DIST #363	8	16	0.17	5	9	0.10
MONTANA STATE UNIVERSITY - NORTHERN	6	18	0.13	17	6	0.35
MSU COLLEGE OF TECHNOLOGY - GREAT FALLS	4	23	0.08	8	7	0.18
DAWSON COMMUNITY COLLEGE	4	24	0.09	5	8	0.11
"All other" *	92		1.96			
TOTAL (36 EMPLOYERS)	4,699		100.00	4,822		100.00

2014, "all other" consist	ted of:	
Туре	Number	Employees
Cities & Towns	8	39
Counties	1	3
Other Agencies	7	20
School Districts	5	30
Universities	0	0
Total	21	92

¹ Employee counts are based on June payrolls. Differences in employee counts in this schedule as compared to other CAFR schedules are due to members with multiple employers, June 30th refunded members, and members with dual retirement system elections.

²For the purposes of this schedule the "State of Montana" is considered one employer. There are a total of 31 State of Montana agencies reporting to PERS-DCRP.

A Component Unit of the State of Montana

Schedule of Participating Employers

As of June 30, 2014

PERS-DBRP (541)Counties (55)SheridanAnaconda-Deer LodgeStillwaterState Agencies (34)BeaverheadSweet Gr

Sweet Grass Teton Big Horn **Board of Crime Control** Toole **Board of Public Education** Blaine Broadwater Treasure Commissioner of Higher Carbon Valley Education Wheatland Carter Commissioner of Political

Commissioner of PoliticalCarterWheatlandPracticesCascadeWibauxConsumer CouncilChoteauYellowstone

Dept of Administration

Dept of Agriculture

Dept of Commerce

Daniels

Dawson

Cities & Towns (98)

Alberton

Dept of Corrections Fallon Baker
Dept of Environmental Fergus Belgrade
Quality Flathead Belt
Dept of Fish, Wildlife & Gallatin Big Sandy

Parks Garfield Big Timber
Dept of Justice Glacier Billings
Dept of Labor & Industry Golden Valley Boulder
Dept of Livestock Granite Bozeman

Dept of Military Affairs Hill Bridger
Dept of Natural Resources Jefferson Broadus
& Conservation Judith Basin Browning

Dept of Public Health & Lake Butte-Silver Bow
Human Services Lewis & Clark Cascade
Dept of Revenue Liberty Chester
Dept of Transportation Lincoln Chinook

Governor's Office Madison Choteau
Legislative Council McCone Circle
Montana Arts Council Meagher Colstrip
Montana Historical Mineral Columbia Falls

Columbus Missoula Society Conrad Musselshell Montana State Fund Montana State Library Park Culbertson Petroleum Cut Bank Office of Public Defender Deer Lodge **Phillips** Office of Public Instruction Denton Pondera Public Employee

Retirement Administration
Public Service Commission
Powell
School for the Deaf &
Prairie
Pondera
Powder River
Powder River
Powell
Drummond
East Helena
Powder River

Blind Ravalli Ekalaka
Secretary of State Richland Ennis
State Auditor's Office Roosevelt Eureka
Supreme Court Rosebud Fairfield
Teachers' Retirement System Sanders Fairview

Cities & Towns (cont.)	Three Forks	SD 1, Plains
Forsyth	Townsend	SD 1, Red Lodge
Fort Benton	Troy	SD 1, Scobey
Fort Peck	Twin Bridges	SD 1, Troy
Froid	Valier	SD 1 & 7, Hysham
Geraldine	Westby	SD 1 & 7, Townsend
Glasgow	West Yellowstone	SD 2, Alberton
Glendive	White Sulphur Springs	SD 2, Alder
Grass Range	Whitefish	SD 2, Billings
Great Falls	Wibaux	SD 2, Bridger
Hamilton	Winnett	SD 2, Deer Park
Hardin	Wolf Point	SD 2, Dodson
Harlem		SD 2, Dupuyer
Harlowton	Colleges & Universities (5)	SD 2, Frazer
Havre	Montana State University -	SD 2, Lavina
Helena	Billings	SD 2, Stevensville
Hot Springs	Montana State University -	SD 2, Sunburst
Hysham	Bozeman	SD 2, Thompson Falls
Kalispell	Montana State University	SD 2 & 3, Pryor
Laurel	College of Technology -	SD 2 & 11, Big Sandy
Lewistown	Great Falls	SD 2 & 27, Lodge Grass
Libby	Montana State University -	SD 3, Belfry
Lima	Northern	SD 3, Billings
Livingston	University of Montana -	SD 3, Cascade
Malta	Missoula	SD 3, Fair Mont Egan
Manhattan		SD 3, Hamilton
Medicine Lake	High Schools (6)	SD 3, Manhattan
Melstone	Beaverhead County	SD 3, Ramsey
Miles City	Garfield County	SD 3, Superior
Missoula	Jefferson County	SD 3, Westby
Nashua	Powder River County	SD 3, Wolf Point
Phillipsburg	Powell County	SD 3 & 13, Fairview
Plains	Sweet Grass County	SD 4, Canyon Creek
Plentywood		SD 4, Divide
Polson	School Districts (232)	SD 4, Forsyth
Poplar	SD 1, Big Timber	SD 4, Hellgate
Red Lodge	SD 1, Butte	SD 4, Libby
Richey	SD 1, Choteau	SD 4, Livingston
Ronan	SD 1, Circle	SD 4, Swan River
Roundup	SD 1, Clancy	SD 4 & 28, Highwood
Ryegate	SD 1, Corvallis	SD 4 & 47, Whitehall
Saco	SD 1, Deer Lodge	SD 5, Basin
Scobey	SD 1, Fort Benton	SD 5, Kalispell
Shelby	SD 1, Glasgow	SD 5, Melrose
Sheridan	SD 1, Glendive	SD 5, Park City
Sidney	SD 1, Great Falls	SD 5, Sand Coulee
St Ignatius	SD 1, Heart Butte	SD 5, Sheridan
Stanford	SD 1, Helena	SD 5, Sidney
Stevensville	SD 1, Kalispell	SD 5, Terry
Sunburst	SD 1, Lewistown	SD 6, Columbia Falls
Superior	SD 1, Miles City	SD 6, Columbus
Terry	SD 1, Missoula	SD 6, Lame Deer
Thompson Falls	SD 1, Phillipsburg	SD 6, Ryegate

School Districts (cont.)	SD 14, Fortine	SD 34, Seeley Lake
SD 6, Trout Creek	SD 14, Hot Springs	SD 35, Gallatin Gateway
SD 6, Wibaux	SD 14, Malta	SD 37, Shepherd
SD 6 & 1, St Regis	SD 14, Shelby	SD 38, Big Fork
SD 7, Boulder	SD 15, Custer	SD 38, Lincoln
SD 7, Bozeman	SD 15, Cut Bank	SD 40, Frenchtown
SD 7, Charlo	SD 15, Ekalaka	SD 41, Bozeman
SD 7, Gardiner	SD 15, Kalispell	SD 41, Lavina
SD 7, Grant	SD 15 & 6, Florence-Carlton	SD 41, Pioneer
SD 7, Hinsdale	SD 15 & 17, Willow Creek	SD 43, Lamotte
SD 7, Joliet	SD 16, Harlowton	SD 43, Turner
SD 7, Lolo	SD 16, Havre	SD 44, Belgrade
SD 7, Medicine Lake	SD 17, Culbertson	SD 44, Geraldine
SD 7, Twin Bridges	SD 17, Morin	SD 44, Moore
SD 7, Victor	SD 17H, Hardin	SD 44, Whitefish
SD 7 & 2, Savage	SD 18, Valier	SD 45, Augusta
SD 7 & 70, Laurel	SD 18, Woodman	SD 45, Golden Ridge
SD 8, Arlee	SD 19, Colstrip	SD 45, Wolf Point
SD 8, Elder Grove	SD 20, Garrison	SD 48-1J & 48-2J, Chester
SD 8, West Glacier	SD 20, Kila	SD 50, East Glacier
SD 8, White Sulphur Springs	SD 20, Plentywood	SD 50, Evergreen
SD 9, Browning	SD 20, Whitewater	SD 50, Hays
SD 9, Darby	SD 21, Broadview	SD 52, Absarokee
SD 9, Dixon	SD 21, Fairfield	SD 52, Billings
SD 9, East Helena	SD 21, Galata	SD 52, Ennis
SD 9, Opheim	SD 23, Billings	SD 55, Brockton
SD 9, Poplar	SD 23, Harrison	SD 55, Plevna
SD 9 & 9, Reed Point	SD 23, Lustre	SD 55, Roundup
SD 10, Anaconda	SD 23, Missoula	SD 55F, Sun River Valley
SD 10, Cayuse	SD 23, Polson	SD 57, Havre
SD 10, Chinook	SD 23, Roberts	SD 58, Geyser
SD 10, Conrad	SD 24, Three Forks	SD 58, Whitefish
SD 10, Dillon	SD 24, Worden	SD 58, Yellowstone
SD 10, Noxon	SD 25, Hobson	SD 64, Bainville
SD 11, Brorson	SD 26, Lockwood	SD 64, Mountain View
SD 11, Potomac	SD 26, Reichle	SD 64J, Melstone
SD 11, Wise River	SD 27, Elliston	SD 65, Froid
SD 11 & 2, Drummond	SD 27, Grass Range	SD 69, West Yellowstone
SD 12, Baker	SD 27, Monforton	SD 72, Big Sky
SD 12, Harlem	SD 27, Montana City	SD 73, Swan Lake
SD 12, Havre	SD 28C, Dutton	SD 74, Roy
SD 12, Lima	SD 28, St Ignatius	SD 74, Vaughn
SD 12, Rosebud	SD 29, Belt	SD 75, Amsterdam
SD 12, Saco	SD 29, Somers	SD 75, Arrowhead
SD 12, Stanford	SD 29, Wyola	SD 75, Fairfield
SD 12 & 12, Molt	SD 30, Power	SD 78J & 2, Richey
SD J12-5, Shields Valley	SD 30, Ronan	SD 84, Denton
SD 13, Box Elder	SD 30 & 6, Fromberg	SD 85, Ulm
SD 13, Eureka	SD 32, Clinton	SD 86 & 4, Lambert
SD 13, Fishtail	SD 32, Rapelje	SD 87, Box Elder
SD 13, Lone Rock	SD 32J, Ashland	SD 89, Smith Valley
SD 13, Nashua	SD 33, Condon	SD 99M, Rudyard
SD 14, Bonner	SD 33, Gold Creek	SD 104, Spring Creek
	•	

School Districts (cont.)

SD 115, Winifred SD 159, Winnett Judith Gap Schools

Other Agencies (111)

Anaconda Housing Authority Bear Paw Cooperative Bert Mooney Airport

Authority
Big Country Educational

Cooperative
Big Fork Water & Sewer

Big Fork Water & Sewer Big Sky County Water & Sewer District

Big Sky Economic
Development Authority

Big Sky Special Education Cooperative

Billings Housing Authority Bitterroot Conservation District

Bitterroot Valley Special Education Cooperative

Buffalo Rapids Irrigation
District #1

Buffalo Rapids Irrigation District #2

Butte Housing Authority Cascade County

Conservation District
Center for Mental Health

Central Montana Special Education Cooperative

Central Valley Fire District

Choteau County

Conservation District

CME/Flathead Indian Irrigation Project

Corvallis County Sewer District

Crown Hill Cemetery District Daly Ditches Irrigation

Dawson County Urban

Transportation District

Dawson College

Deer Lodge County Head Start Program

Dry Prairie Rural Water District

Eastern Yellowstone County Special Education Cooperative Fallon Medical Complex Fergus County Conservation District

Flathead County Special Education Cooperative

Flathead Conservation District

Flathead Emergency
Communications Center

Flathead Joint Board of Control Flathead Municipal Airport

Authority

Flathead Valley Community College

Fort Shaw Irrigation District Frenchtown Rural Fire District Gallatin Airport Authority Gallatin Canyon Consolidated

Rural Fire District

Gallatin Conservation District Gallatin-Madison Special

Education Cooperative Gardiner-Park County

Water District

Glasgow Housing Authority Glasgow Irrigation District

Granite County Hospital & Nursing Home

Granite Conservation District Great Divide Education

Services

Great Falls International Airport Greenfields Irrigation District Hebgen Basin Rural Fire Helena Business Improvement

District

Helena Housing Authority Helena Regional Airport Authority

Helena Valley Irrigation District Hill County Public Cemetery District

Hinsdale Water and Sewer Human Resources Council District XI

Human Resources Council District XII

Judith Basin Conservation District

Lakeside County Sewer Distict Lakeview Cemetery District Larchmont Golf Course

Lewis & Clark Conservation District Lewis & Clark Library Liberty County Cemetery District

Liberty County Conservation District

Lincoln Conservation District Lincoln County Rural Fire District

Lockwood Rural Fire District #8 Lockwood Water & Sewer District

Madison Conservation District
Malta Cemetery District
Malta Irrigation District
Miles City Housing Authority
Miles Community College
Milk River Joint Board Control
Missoula Area Special

Missoula Area Special
Education Cooperative

Missoula County Airport Missoula Rural Fire District

North Central Learning Special Education Cooperative

North Lake County Public Library

North Valley Public Library
Northern Montana Joint
Refuse Disposal District

Northwest Montana Education Cooperative

Pablo-Lake County Water District

Park County Rural Fire District #1

Park County Special Education Cooperative

Petroleum Conservation District Pondera County Canal & Reservoir

Pondera County Cemetery District 2

Pondera County Council on Aging

Port of Montana — Port Authority

Prairie County Hospital District Prickley Pear Special Services Cooperative

Rae Water & Sewer Richland County Housing

Authority
Ronan Library District

Roundup Community Library

Flathead Other Agencies (cont.) Colleges & Universities (3) Sanders Special Education Montana State University -Gallatin Cooperative Garfield Billings Seeley Lake Missoula County Glacier Montana State University -Water District Golden Valley Bozeman Sidney-Richland Airport Granite University of Montana -Authority Hill Missoula Jefferson Teton County Conservation Thompson Falls Public Library Judith Basin Twin Bridges Public Library Lake **MPORS (32)** Upper Musselshell Conservation Lewis & Clark District Liberty Anaconda-Deer Lodge Valley County Conservation Lincoln Baker Belgrade District Madison Victor Water & Sewer McCone Billings Whitefish Housing Authority Meagher Bozeman **Butte-Silver Bow** Mineral Yellowstone City-County Health Dept Missoula Columbia Falls Yellowstone-West Carbon Musselshell Cut Bank Special Education Cooperative Park Dillon Petroleum East Helena **Phillips** Glasgow Pondera Glendive **JRS (1)** Powder River Great Falls Supreme Court Powell Hamilton Prairie Havre Ravalli Helena Richland Kalispell HPORS (1) Roosevelt Laurel Dept of Justice Rosebud Lewistown Sanders Libby Sheridan Livingston SRS (57) Miles City Stillwater **Sweet Grass** Missoula State Agencies (1) Teton **Plains** Dept of Justice Toole Polson Treasure Poplar Counties (56) Valley Red Lodge Anaconda-Deer Lodge Wheatland Thompson Falls Beaverhead Wibaux Trov West Yellowstone Big Horn Yellowstone Blaine Whitefish Wolf Point Broadwater **Butte-Silver Bow** GWPORS (7) Carbon Carter State Agencies (4) **FURS (25) Dept of Corrections** Cascade Choteau Dept of Fish, Wildlife & Parks State Agency (1) Custer Dept of Livestock Dept of Military Affairs Dept of Transportation **Daniels** Dawson Cities (16)

Fallon Fergus

Billings

Anaconda-Deer Lodge

Cities (cont.)

Bozeman
Butte-Silver Bow
Columbia Falls
Glendive
Great Falls
Havre
Helena
Kalispell
Lewistown
Livingston
Miles City
Missoula

Red Lodge Whitefish

Rural Fire Districts (8)

Central Valley Fire District
Columbus Rural Fire District
Frenchtown Rural Fire
Gallatin Canyon Rural Fire
Hebgen Basin Rural Fire
Lockwood Rural Fire
Missoula Rural Fire
Sourdough Rural Fire

VFCA (217)

Absarokee Volunteer Fire Dept Absarokee-Nye Volunteer Fire Dept Alder Volunteer Fire Dept Amsterdam Rural Volunteer Fire Dept Arlee Volunteer Fire Dept Ashland Volunteer Fire Dept Augusta Volunteer Fire Dept Bad Rock Volunteer Fire Dept Baker Rural Volunteer Fire Dept Basin Volunteer Fire Dept Baxendale Volunteer Fire Dept Bear Paw Volunteer Fire Dept Belfry Volunteer Fire Dept Belt Rural Volunteer Fire Dept Big Arm Volunteer Fire Company Big Butte Volunteer Fire Dept Bigfork Volunteer Fire Dept, Company A Bigfork Volunteer Fire Dept,

Company B

Big Sandy Volunteer Fire Dept Birdseye Volunteer Fire Dept Black Eagle Volunteer Fire Dept Blaine County Rural Fire District, Chinook Blaine Couny Rural Fire District, Harlem Blaine County Rural Fire District, Hogeland Blankenship Rural Volunteer Fire Dept Blue Creek Volunteer Fire Dept **Boulevard Volunteer Fire Dept** Brady Volunteer Fire Dept Bridger Canyon Volunteer Fire Dept Broadwater County Rural Fire District. Duck Creek Broadwater County Rural Fire District, Radersburg **Broadwater County Rural Fire** District. Toston Broadwater County Rural Fire District. Townsend **Broadwater County Rural Fire** District, Winston Bull Lake Volunteer Fire Dept Canyon Creek Fire District Cascade Rural Volunteer Fire Dept Carter Volunteer Fire Dept Centerville Volunteer Fire Dept Central Valley Fire Dept, Company A Central Valley Fire Dept, Company B Central Valley Fire Dept, Company C Charlo-Moiese Volunteer Fire Dept Choteau Rural Volunteer Fire Dept Clancy Volunteer Fire Dept Clarks Fork Rural Volunteer Fire Dept Clinton Volunteer Fire Dept Columbia Falls Rural Volunteer Fire Dept Columbus Rural Volunteer Fire Dept Conrad Rural Volunteer Fire Dept

Cooke City-Silver Gate Volunteer Fire Dept Coram-West Glacier Volunteer Fire Dept Corvallis Rural Fire District Craig Volunteer Fire Dept Creston Volunteer Fire Dept, Company #1 Creston Volunteer Fire Dept, Company #2 Lake Blaine Culbertson Volunteer Fire Dept Darby Volunteer Fire Dept Dean Creek Volunteer Fire Dept Dearborn Volunteer Fire Dept Denton Volunteer Fire Dept Dillon Rural Volunteer Fire Dept, Company A Dillon Rural Volunteer Fire Dept, Company B Dixon Rural Volunteer Fire Dept Dutton Rural Volunteer Fire Dept East Missoula Rural Volunteer Fire Dept East Valley Volunteer Fire Dept Eastgate Volunteer Fire Dept Elk Park Volunteer Fire Dept Elliston Volunteer Fire Dept Eureka Rural Volunteer Fire Dept Evergreen Volunteer Fire Dept Fairfield Rural Volunteer Fire Dept Ferndale Volunteer Fire Dept Fisher River Valley Volunteer Fire Dept Floral Park Volunteer Fire Dept Florence Volunteer Fire Dept Fort Benton Rural Volunteer Fire Dept Fort Ellis Rural Volunteer Fire Company Fort Shaw Rural Volunteer Fire Dept Frenchtown Rural Volunteer Fire Dept. Station 1 Frenchtown Rural Volunteer Fire Dept, Station 2 Frenchtown Rural Volunteer Fire Dept, Station 3 Frenchtown Rural Volunteer Fire Dept. Station 4 Frenchtown Rural Volunteer Fire Dept, Station 5

VFCA (cont.)	McCormick Rural Volunteer	Power Rural Volunteer
Gallatin Gateway Rural	Fire Dept	Fire Dept
Volunteer Fire Dept	Medicine Lake Volunteer	Racetrack Volunteer Fire Dept
Gallatin River Ranch Rural	Fire Dept	Racetrack Valley Fire District
Fire District	Melrose Volunteer Fire Dept	Rae Volunteer Fire Company
Garrison Volunteer Fire Dept	Missoula Volunteer Fire Dept,	Red Lodge Rural Volunteer
Gateway Hose Volunteer	Pumper Company 1	Fire Dept, Company 1
Fire Company	Missoula Volunteer Fire Dept,	Red Lodge Luther Company 2
Geraldine Volunteer Fire Dept	Pumper Company 2	Roberts Rural Fire District #6
Georgetown Lake Fire Service	Missoula Volunteer Fire Dept,	Rocker Volunteer Fire Dept
Area	Pumper Company 3	Rollins Volunteer Fire Dept
Gore Hill Volunteer Fire Dept	Missoula Volunteer Fire Dept,	Ronan Volunteer Fire Dept,
Grant Volunteer Fire Company	Tanker Company 1	Station 1
Grasshopper Valley	Missoula Volunteer Fire Dept,	Ronan Volunteer Fire Dept,
Volunteer Fire Company	Tanker Company 2	Station 2 (Pablo)
Greenough/Potomac ,	Missoula Volunteer Fire Dept,	Rudyard Volunteer Fire Dept
Volunteer Fire Dept	Tanker Company 3	St Ignatius Rural Volunteer
Harrison Volunteer Fire Dept	Molt Volunteer Fire Dept	Fire Dept
Hawk Creek Rural	Monarch Volunteer Fire Dept	St Labre Volunteer Fire Dept
Volunteer Fire Dept	Montana City Volunteer	St Marie Rural Volunteer
Heath Rural Fire District	Fire Dept, Company 1	Fire Dept
Helmville Volunteer Fire Dept	Montana City Volunteer	St Regis Volunteer Fire Dept
Heron Rural Fire District	Fire Dept, Company 2	Sand Coulee Volunteer
Highwood Volunteer	Montecahto Volunteer	Fire Dept
Fire Dept	Fire District	Seeley Lake Volunteer
Hilger Rural Fire District	Musselshell County Rural	Fire Dept
Hobson Rural Volunteer	Volunteer Fire Dept	Shepherd Volunteer Fire Dept
Fire Dept	North Toole County	Sheridan Volunteer Fire Dept
Home Atherton Volunteer	Volunteer Fire Dept	Simms Volunteer Fire Dept
Fire Dept	Noxon Rural Fire District	Smith Valley Volunteer
Hot Springs Rural Fire District	Olney Rural Volunteer	Fire Dept
Jefferson City-Community	Fire Dept	Somers Volunteer Fire Dept
Volunteer Fire Dept	Opportunity Volunteer Fire Dept	Somers Volunteer Fire Dept,
Jefferson Valley Volunteer	Ovando Volunteer Fire Dept	Lakeside Company
Fire Dept	Painted Rocks Fire & Rescue	Sourdough Rural Volunteer
Knees Volunteer Fire Dept	Volunteer Fire Company	Fire Company
Lewis & Clark County Rural	Paradise Valley Fire Service	South Kalispell Volunteer
Volunteer Fire Dept	Park City Rural Volunteer	Fire Dept
Libby Rural Volunteer Fire Dept	Fire Dept #2	South Toole County Volunteer
Libby Rural Volunteer Fire Dept,	Park County Fire Volunteer	Fire Dept
Company 2	Dept	Stevensville, Burnt Fork
Lima Rural Volunteer Fire Dept	Park County Rural Volunteer	Company
Little Basin Creek Volunteer	Fire Dept #1	Stevensville, Etna Company
Fire Dept	Pendroy Rural Volunteer	Stevensville, Sunset Company
Lockwood Rural Fire	Fire Dept	Stevensville, Westside
District #8	Phillips County Volunteer	Company
Lost Creek/Antelope Gulch	Fire Dept	Swan Lake Volunteer Fire Dept
Volunteer Fire Dept	Plains/Paradise Rural Volunteer	Swan Valley Volunteer
Manhattan Rural Volunteer	Fire Dept	Fire Company
Fire Dept	Plentywood Rural Volunteer	Sweet Grass Volunteer
Marion Volunteer Fire Dept	Fire Dept	Fire Dept, Company A
Martin City Volunteer Fire Dept	Plevna Volunteer Fire Dept	Sweet Grass, Volunteer
Marysville Volunteer Fire Dept	Polson Rural Fire Company	Fire Dept, Company B
	. 3.33 tarair iio company	Dopt, Company D

VFCA (cont.)

Terra Verde Heights Volunteer

Fire Dept

TFS Volunteer Fire Dept

Thompson Falls Rural Volunteer

Fire Dept

Three Forks Rural Volunteer

Fire Dept

Three Mile Volunteer Fire Dept - Stevensville

Tri-Lakes Volunteer Fire Dept,

Company A

Tri-Lakes Volunteer Fire Dept,

Company B

Trout Creek Rural Volunteer

Fire Dept

Troy Rural Volunteer Fire Dept

Turner Volunteer Fire Dept

Twin Bridges Volunteer

Fire Company

Ulm Volunteer Fire Dept

Valier Volunteer Fire Dept Valley County Long Run

Volunteer Fire Dept

Vaughn Rural Volunteer

Fire Dept

Victor Rural Volunteer Fire Dept

West Fork Rural Fire District

West Glendive Volunteer

Fire Dept

West Helena Valley Volunteer

Fire Dept

West Valley Anaconda

Volunteer Fire Dept

West Valley Kalispell

Volunteer Fire Dept

Wheatland County Volunteer

Fire Dept

Wibaux Volunteer Fire Dept

Willow Creek Rural Volunteer

Fire Dept

Wilsall Fire Department

Winifred Rural Volunteer

Fire Dept

Wisdom Rural Volunteer

Fire Dept

Wise River Volunteer

Fire Company

Wolf Creek Volunteer Fire Dept

Wolf Point Rural Volunteer

Fire Dept

Worden Fire Dept - Company 1

York Fire Service Area

PERS-DCRP (264)

State Agencies (31)

Board of Crime Control Commissioner of Higher

Education

Consumer Council Dept of Administration

Dept of Agriculture

Dept of Commerce

Dept of Corrections

Dept of Environmental

Quality

Dept of Fish, Wildlife &

Parks

Dept of Justice

Dept of Labor & Industry

Dept of Livestock

Dept of Military Affairs

Dept of Natural Resources &

Conservation

Dept of Public Health &

Human Services

Dept of Revenue

Dept of Transportation

Governor's Office

Legislative Council

Montana Arts Council

Montana Historical Society

Montana State Fund

Montana State Library

Office of Public Defender

Office of Public Instruction

Public Employee Retirement

Administration

Public Service Commission

School for the Deaf & Blind

Secretary of State

State Auditor's Office

Supreme Court

Counties (44)

Anaconda Deer Lodge

Beaverhead

Broadwater

Cascade

Chouteau

Custer

Daniels

Dawson

Fallon

Fergus

Flathead

Gallatin

Garfield

Glacier

Granite Hill

Jefferson

Lake

Lewis & Clark

Liberty

Lincoln

Madison

Missoula

Musselshell

Park Petroleum

Phillips

Pondera

Powder River

Powell

Prairie

Ravalli

Richland

Roosevelt

Rosebud

Sanders

Stillwater

Sweet Grass

Teton

Toole

Treasure Valley

Wheatland

Yellowstone

Cities & Towns (51)

Alberton

Baker

Belgrade

Big Timber

Billings

Bozeman

Butte-Silver Bow

Chester

Chinook

Choteau

Colstrip Columbia Falls

Cut Bank

Deer Lodge

Dillon

East Helena Ennis

Eureka

Cities & Towns (cont.)	School Districts (91)	SD 14 Roppor
Fairfield	SD 1, Butte	SD 14, Bonner SD 15, Cut Bank
Fairview	SD 1, Clancy	SD 15, Ekalaka
Froid	SD 1, Corvallis	SD 16, Havre
Glasgow	SD 1, Fort Benton	SD 17, Culbertson
Glendive	SD 1, Glasgow	SD 17H, Hardin
Great Falls	SD 1, Glendive	SD 18, Woodman
Hamilton	SD 1, Great Falls	SD 20, Plentywood
Hardin	SD 1, Heart Butte	SD 21, Galata
Harlem	SD 1, Helena	SD 23, Missoula
Havre	SD 1, Lewistown	SD 23, Polson
Helena	SD 1, Missoula	SD 23, Roberts
Hot Springs	SD 1, Plains	SD 24, Three Forks
Kalispell	SD 1, Red Lodge	SD 24, Worden
Laurel	SD 1, Scobey	SD 25, Hobson
Libby	SD 1 & 7, Townsend	SD 26, Lockwood
Livingston	SD 2 & 11, Big Sandy	SD 27, Grass Range
Manhattan	SD 2, Billings	SD 30 & 6, Fromberg
Miles City	SD 2 & 7, Savage	SD 30, Ronan
Missoula	SD 2, Stevensville	SD 32, Clinton
Moore	SD 2, Sunburst	SD 32, Rapelje
Phillipsburg	SD 3, Belfry	SD 37, Shepherd
Polson	SD 3, Billings	SD 38, Lincoln
Poplar	SD 3, Fairmont Egan	SD 40, Frenchtown
Red Lodge	SD 3, Manhattan	SD 43, Lamotte
Scobey	SD 3, Superior	SD 44, Belgrade
Shelby	SD 3, Westby	SD 44, Geraldine
Sheridan	SD 4, Forsyth	SD 50, Evergreen
Sidney	SD 4, Hellgate	SD 50, Hays
Stevensville	SD 4, Livingston	SD 52, Absarokee
Sunburst	SD 4 & 28, Highwood	SD 52, Ennis
West Yellowstone	SD 5, Kalispell	SD 52, Independent
Whitefish	SD 5, Sand Coulee	SD 58, Geyser
Wolf Point	SD 5, Sidney	SD 64, Bainville
.	SD 5, Terry	SD 74, Vaughn
Colleges & Universities (5)	SD 6, Columbia Falls	SD 75, Greenfield School
Montana State University-	SD 6, Columbus	SD 85, Ulm
Billings	SD 6 & 1, St. Regis	SD 89, Smith Valley
Montana State University -	SD 7, Boulder	Judith Gap School
Bozeman	SD 7, Bozeman	Other Agencies (40)
Montana State University -	SD 7, Hinsdale	Other Agencies (40)
College of Technology	SD 7, Lolo	Bert Mooney Airport Authority
Great Falls	SD 7 & 70, Laurel	Big Fork County Water & Sewer
Montana State University - Northern	SD 8, Arlee SD 8, Elder Grove	Big Sky County Water & Sewer District
University of Montana -	SD 9, Browning	Big Sky Economic Development
Missoula	SD 9, Browning SD 9, East Helena	Authority
Missoula	SD 9, East Helena SD 9, Poplar	Billings Housing Authority
High Schools (2)	SD 9, Fobiai SD 10, Noxon	Bitterroot Valley Special
Powell County	SD 12, Lima	Education Cooperative
Sweet Grass County	SD 12, Saco	Center for Mental Health
Smoot Grass Sounty	SD 12, Stanford	Central Montana Learning
	SD 13, Lone Rock	Resource Center
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Other Agencies (cont.)

Daly Ditches Irrigation District Dawson Community College Flathead Emergency Communication Center Flathead Municipal Airport

Authority

Flathead Valley Community

College

Gallatin Airport Authority Gallatin Canyon Consolidated Rural Fire Department Gallatin Conservation District Granite County Hospital &

Nursing Home

Great Falls International Airport **Greenfields Irrigation District** Helena Housing Authority

Helena Regional Airport Authority Housing Authority of Anaconda

Human Resources Council

District XI

Human Resources Council

District XII

Larchmont Golf Course

Lewis & Clark Library

Lockwood Water & Sewer District Miles City Community College

Missoula County Airport Missoula Rural Fire District

Northern Montana Joint Refuse Disposal District

Phillips Conservation District

Prairie View Special Services

Cooperative

Prickley Pear Special Services

Cooperative

Richland County Housing Authority

Seeley Lake-Missoula County

Water District

Sheridan Daniels Special **Education Cooperative**

Sourdough Rural Fire District

Thompson Falls Public Library Yellowstone City-County

Health Dept

Deferred Compensation (36)

State Agencies (1)

*State of Montana

Counties (4)

Carter Fallon Lewis & Clark Sanders

Cities & Towns (10)

Colstrip Hardin Helena Polson Poplar Sheridan Sidney

Thompson Falls

Trov Whitehall

Colleges & Universities (5)

Montana State University -Billings

Montana State University -Bozeman

Montana State University College of Technology -

Great Falls

Montana State University -

Northern

University of Montana -Missoula

School Districts (6)

SD 2, Billings

SD 3. Wolf Point

SD 9, East Helena

SD 9, Poplar

SD 12, Baker

SD 44, Geraldine

Other Agencies (10)

Big Sky County Water & Sewer

District

Big Sky Resort Area District Billings Housing Authority Colstrip Park & Recreation

District

Flathead Conservation District Dawson Community College Gallatin Airport Authority

Great Falls Transit

Miles Community College

North Valley Public Library

*For the deferred compensation plan the State of Montana is considered one agency.



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MONTANA PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION

100 North Park Avenue, Suite 200 PO Box 200131 Helena, MT 59620-0131

Website: http://mpera.mt.gov

email: mpera@mt.gov

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